



# The State Bar of California

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**OPEN SESSION  
AGENDA ITEM  
112 JANUARY 2020  
BOARD EXECUTIVE COMMITTEE III.B**

**DATE:** January 24, 2020

**TO:** Members, Board Executive Committee  
Members, Board of Trustees

**FROM:** Dag MacLeod, Chief of Mission Advancement & Accountability Division

**SUBJECT:** Approval and Ratification of Revised Board of Trustees Policy Manual

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## **EXECUTIVE SUMMARY**

This agenda item presents revisions to the Board of Trustees Policy Manual for approval by the Board Executive Committee and ratification by the Board of Trustees.

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## **BACKGROUND**

In March 2019, the Board of Trustees' Executive Committee approved a revised Policy Manual also known as the "Board Book." The Board Book approved at that time contained two placeholders: one for an appendix with charters of subentities of the State Bar, and another for conflict of interest policy references. The Board Executive Committee directed staff to bring the complete Board Book back for approval when these appendices were finalized.

In addition to making the changes directed by the Board Executive Committee, State Bar staff made a number of other changes contained in the attached draft of the Board Book. These changes include new language in Section 6.3 on Amicus Curiae, modifications to Standing Committee Charters to reflect the current structure of the Board, updates to rosters and assignments, and the addition of an appendix of commonly used acronyms.

## DISCUSSION

The attached, revised Board Book provides Trustees with a single, concise reference to assist them in fulfilling their duties. The version presented at the March 2019 meeting of the Board of Trustees included the following organizational changes:

- Removal of:
  - Statutory recitations from the body of the Board Book;
  - Redundant material;
  - Excessively detailed information, including historical annotations; and
  - Staff procedures (which were transferred to internal staff manuals).

Two appendices of the Board Book, however, were not ready by the March meeting: an appendix listing subentity charters, and an appendix with references for conflict of interest policies that apply to the Board.

These new appendices have been added to the attached, updated Board Book:

- Appendix E provides an overview of the duties, composition and appointing authority of State Bar subentities. This section has been substantially modified from the detailed information that was included in the old Board Book. Rather than reiterating specific information about the internal rules, structure, and operations of the subentities—details that are mostly contained in statute, Rules of Court and State Bar Rules—Appendix F points to those references while summarizing the principal features of the State Bar subentities.
- Appendix H is a compendium of the most relevant statutes on ethics and conflict of interest that apply to Trustees. These references include citations of the Business and Professions Code, Government Code, and the Conflict of Interest Code for the Board of Trustees.

In addition to adding these appendices, State Bar staff made a number of other changes to the Board Book. State Bar staff:

- revised the policy for State Bar participation as amicus curiae contained in Section 6.3 of the Board Book. Working with the Office of General Counsel and a representative of the Board of Trustees, the amicus policy was re-written to clarify the respective roles of the Board and the Office of General Counsel in determining whether to participate, or decline participation, in litigation as an amicus curiae;
- removed language from the Charters of Standing Committees where it reflected responsibilities of State Bar staff rather than the committees (this material has been transferred to internal, staff manuals to guide the work of staff);

- added details to Appendix C, the calendar of annually recurring agenda items, to provide members of the Board with a clearer picture of the issues that they can expect to come before them each year;
- added a new appendix of commonly used State Bar acronyms, Appendix I; and
- deleted in its entirety the appendix which consisted of the Bagley-Keene Open Meeting Act. A summary of Trustee responsibilities under Bagley-Keene is provided in the body of the Board Book at Section 3.2. And, as required by statute, the Bagley-Keene Open Meeting Act is provided to all Trustees upon appointment to the Board.

One final change to the Board Book remains unfinished: language regarding the State Bar Court, Section 7.4. State Bar staff are currently working with the State Bar Court and Office of General Counsel to finalize language that will accurately describe the relationship between the Board of Trustees and the State Bar Court. State Bar staff plans to return to the Board Executive Committee at its next meeting with final language regarding the State Bar Court.

Upon approval of the revised Board Book, staff will send the document out for final formatting, and then make it available to all members of the Board of Trustees, State Bar staff, and the public.

### **FISCAL/PERSONNEL IMPACT**

None

### **AMENDMENTS TO RULES OF THE STATE BAR**

None

### **AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL**

Section 4.7 – State Bar Court

Section 6.3 – Amicus Curiae

Section 11 – Ethics and Conflicts of Interest

Appendix D – Standing Committee Charters

Added - Appendix E – Subentity Duties, Composition, and Appointing Authorities

Added - Appendix H – Ethics and Conflicts of Interest References

Added – Appendix I – Commonly Used State Bar Acronyms

## **STRATEGIC PLAN GOALS & OBJECTIVES**

Goal: None - core business operations

## **RECOMMENDATIONS**

**Should the Board Executive Committee concur in the proposed action, passage of the following resolution is recommended:**

**RESOLVED**, that the Board Executive Committee recommends that the Board of Trustees approves the revised Board of Trustees Policy Manual.

**Should the Board of Trustees concur in the proposed action, passage of the following resolution is recommended:**

**RESOLVED**, that the Board of Trustees, upon recommendation of the Board Executive Committee approves the revised Board of Trustees Policy Manual.

## **ATTACHMENT(S) LIST**

- A. State Bar of California Board of Trustees Policy Manual



The State Bar  
*of California*

STATE BAR OF CALIFORNIA  
**Board of Trustees**  
**Policy Manual**

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This Policy Manual (commonly known and referred to as the “Board Book”) sets forth high level descriptions of the basic rules governing the actions of the State Bar’s Board of Trustees, its individual Board members, and State Bar subentities in carrying out the State Bar’s mission. It is intended to be a resource primarily for Board members. Where more detailed material would assist Board members in fulfilling their responsibilities, appendices provide supplemental information. Staff is responsible for updating the appendices to ensure that they remain current and is authorized to do so without Board action.

Material outside the scope of this manual includes, but is not limited to: State Bar staff administrative policies and procedures; policies and procedures governing individual divisions and offices of the State Bar; detailed legal analyses; contracts and memoranda of understanding; and, appointments policies and procedures.



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<b>Appendix H – Ethics and Conflicts of Interest References.....</b>	<b>TBD</b>
<b>Appendix I – Commonly Used State Bar Acronyms.....</b>	<b>TBD</b>

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# SECTION 1

## STATE BAR OF CALIFORNIA



### 1.1 OVERVIEW

The State Bar of California (hereafter referred to as the State Bar) was created in 1927 as a public corporation and was placed in the Judicial Article of the California Constitution in 1966. It was created to assist the Supreme Court in matters pertaining to the admission, regulation, and discipline of attorneys.

### 1.2 GOVERNING AUTHORITY

The governing authority for the State Bar to carry out its role can be found in:

- State Bar Act (Bus. & Prof. Code section 6000 et seq.)
- California Rules of Court (Cal. Rules of Court, Title 9)
- Rules of the State Bar
- Supreme Court decisions

### 1.3 MISSION

The State Bar's mission is to protect the public and includes the primary functions of licensing, regulation and discipline of attorneys; the advancement of the ethical and competent practice of law; and support of efforts for greater access to, and inclusion in, the legal system. Diversity and inclusion are an integral part of the State Bar's public protection mission to build and retain a profession of attorneys capable of providing high-quality legal services and representative of the rich diversity of California's population.

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# SECTION 2

## BOARD OF TRUSTEES



### 2.1 COMPOSITION

The State Bar is governed by its Board of Trustees (Board). The Board consists of 13 members.

Five attorney members are appointed by the Supreme Court; one attorney member and one public (non-attorney) member are appointed by the Speaker of the Assembly; and one attorney member and one public member are appointed by the Senate Committee on Rules. Four public members are appointed by the Governor and are subject to Senate confirmation. See [Appendix A](#) for the current Board membership.

APPOINTING AUTHORITY	ATTORNEY MEMBER	PUBLIC MEMBER (NON-ATTORNEY)
California Supreme Court	5	0
Speaker of Assembly	1	1
Senate Committee on Rules	1	1
Governor	0	4

To ensure both the talent and diversity needed for optimal functioning of the Board, the State Bar maintains a Trustee Skills Matrix to help identify gaps in trustee experience and ability. Staff provides appointing authorities with information about the composition of the Board for their consideration when recruiting and appointing trustees.

A full-time employee of a public agency serving as a Board member may not suffer any loss of rights, promotions, salary increases, retirement benefits, tenure, or other job-related benefits as a result of their serving on the Board.

*(Source: Bus. & Prof. Code §§ 6010, 6011, 6013.1, 6013.3, 6013.5, 6013.6; Cal. Rule of Court 9.90)*

## 2.2 BOARD MEMBER TERMS

Each member is appointed for a term of four years. Rules regarding reappointment depend on the appointing authority and whether the member is an attorney or a public member (non-attorney). Members appointed by the Supreme Court may be reappointed only once. There are no limitations on the reappointment of other members.

When a position becomes vacant it may be filled by the appointing authority with a person who will serve for the remainder of the term.

*(Source: Bus. & Prof. Code §§ 6013.1, 6013.3, 6013.5, 6016)*

## 2.3 RESIGNATION OF BOARD MEMBERS

A Board member, including an officer, may resign at any time by giving written notice to the Secretary. The resignation will be effective upon receipt of that notice or on the date specified in the notice.

*(Source: Gov. Code § 1750)*

## 2.4 RESPONSIBILITIES OF THE BOARD

The Board is the State Bar's governing body, responsible for developing the guiding policies and principles underpinning its mission. Among its responsibilities, the Board provides guidance and feedback to the Executive Director to ensure effective management and leadership of the State Bar.

Responsibilities of the Board also include, but are not limited to:

- Governing the State Bar through collective policy-making
- Developing the guiding policies and principles underpinning the State Bar's regulatory mission
- Adopting the State Bar's Strategic Plan
- Approving the State Bar's budget
- Receiving and approving statutorily mandated reports
- Hiring, evaluating and terminating the employment of the Executive Director and the General Counsel

- Appointing and dismissing a Chief Trial Counsel (CTC) (appointment is subject to confirmation by the State Senate)<sup>1</sup>
- Reviewing and evaluating its own performance related to its governing responsibility
- Assuring the adjudicatory independence of the State Bar Court
- Appointing volunteers to State Bar committees, commissions, task forces, and other advisory bodies referred to herein as State Bar subentities

The Board reserves authority over all matters pertaining to the State Bar. State Bar officers, agents, Board standing committees and subentities have only the powers delegated to them by the Board. The Board's authority includes determinations of whether actions or positions taken by those actors are consistent with State Bar policies.

*(Source: Bus. & Prof. Code §§ 6010, 6025 and 6030; and State Bar Rule 6.21)*

## 2.5 RESPONSIBILITIES OF BOARD MEMBERS

Each Board member is responsible for:

- Being familiar with the mission and purpose of the State Bar
- Participating in all Board meetings and meetings of assigned Board standing committees, including preparing for meetings in order to make sound decisions on behalf of the State Bar
- Being familiar with the existing governance structure of the Board so that each member can establish good working relationships with one another and staff
- Participating in the review and approval of the annual budget
- Being knowledgeable about conflict of interest standards and ensuring that reportable conflicts are specifically identified and acknowledged in formal filings and at Board meetings
- Being familiar with the guidelines for member communication contained in Section 8 of the Board of Trustees Policy Manual
- Being familiar with the requirements of the Bagley-Keene Open Meeting Act
- Being prepared to represent the State Bar in any setting or forum and being able to explain the State Bar's responsibilities, initiatives, accomplishments and capabilities

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<sup>1</sup> During a CTC's service, the CTC reports to the Regulation and Discipline Committee. (Bus. & Prof. Code § 6079.5)

- Bringing diverse experience, skills and expertise to bear when determining policy
- Attending swearing-in ceremonies of new attorneys
- Acting in accordance with their fiduciary responsibilities toward the State Bar
- Recognizing the equal role and responsibility of each Board member

## 2.6 CALENDAR OF BOARD MEETINGS

The annual meeting calendar for the Board of Trustees is determined by the due dates for statutorily mandated reports that assist the Board in fulfilling its oversight responsibilities, by the planning and implementation of Strategic Plan initiatives, and by the Board's ongoing oversight responsibilities. Details of the dates when recurring agenda items typically come to the Board are provided in [Appendix C](#).

## 2.7 OFFICER SELECTION

The officers of the Board of Trustees are a Chair, and Vice Chair.

The Chair and Vice Chair are appointed by the Supreme Court for one-year terms and may serve up to two terms in this capacity. Officers assume the duties of their respective offices at the conclusion of the annual meeting following their appointment, typically in September. In the event that an officer is appointed to fill a vacancy for the balance of the term, the remainder of that term does not count against the two-term limit.

Officers continue in office until their successors are appointed and qualify. Unless otherwise required by law, officers of the State Bar have only the duties prescribed to them by the Board and are subject to its supervision and control.

Members interested in serving as an officer should submit a letter of interest to the Supreme Court by July 1st and provide an electronic copy of the submission to the Principal Attorney for the Chief Justice. State Bar staff sends a reminder announcement to Board members prior to the deadline.

*(Source: Bus. & Prof. Code §§ 6020, 6021, 6022, 6023; State Bar Rule 6.42)*

## 2.8 RESPONSIBILITIES OF THE CHAIR

The Board Chair is responsible for:

- Presiding over Board meetings
- Facilitating decision-making by the Board
- Encouraging diverse opinions among Board members
- Ensuring that the Board focuses on the Strategic Plan Goals and Objectives
- Keeping the Board informed and aware of policy issues that may affect the functioning of the State Bar
- Resolving disputes and managing conflict among Board members
- Appointing Board members to serve on Board standing committees
- Appointing Board members to serve as liaisons to functional areas of the agency's operation
- Presiding over the Board Executive Committee and the Governance in the Public Interest Task Force
- Acting as the key spokesperson on behalf of the Board regarding the annual performance evaluation and the hiring and firing of the Executive Director
- Acting as the key spokesperson for the State Bar and being accountable for what is officially communicated by the Board and the State Bar to licensed attorneys in California, to the public and to the government
- Performing other duties as prescribed by the Board and provided for by law

*(Source: Bus. & Prof. Code § 6001.2)*

## 2.9 RESPONSIBILITIES OF THE VICE-CHAIR

The Vice-Chair is responsible for:

- Acting in the absence of the Chair
- Serving as Vice-Chair of the Board Executive Committee

*(Source: Bus. & Prof. Code § 6021; State Bar Rule 6.41)*

## 2.10 BOARD LIAISONS

The Chair may appoint members of the Board to serve as liaisons to State Bar subentities and to State Bar functional areas of operation. Board liaisons are responsible for facilitating the exchange of information between the Board and those subentities and areas of operation. See [Appendix B](#) for a list of current Board Liaisons.

## 2.11 BOARD STANDING COMMITTEES

Board standing committees, composed only of Board members, are responsible for State Bar oversight and policy development through the strategic planning process and development of Committee Work Plans. At the start of each Board year, the incoming Chair proposes the number and type of standing committees that will meet during the Board year. The committees proposed by the Chair and approved by the Board will supplement the work of the statutorily mandated standing committees - the Executive Committee and the Regulation and Discipline Committee.

Each standing committee must have enough members to carry out its responsibilities under the committee charter. The incoming Board chair appoints chairs and members to Board standing committees subject to approval by the full Board. See [Appendix D](#) for Board Standing Committee Charters.

### 2.11.1 Regulation and Discipline Committee

The Regulation and Discipline Committee oversees the work of the attorney discipline system including: the Office of the Chief Trial Counsel, the State Bar Court, the Office of Probation, the Client Security Fund Commission, and the Office of Professional Competence.

### 2.11.2 Audit Committee

The Audit Committee is charged with assisting the Board in fulfilling its oversight responsibility as related to the integrity of accounting and financial reporting processes, the system of internal controls, and audit processes. In addition, the Audit Committee is charged with overseeing risk management and compliance efforts. The Audit Committee should include at least one public member of the Board.

### **2.11.3 Finance Committee**

The Finance Committee leads the Board's participation in, oversight, and review of the State Bar's budget preparation.

### **2.11.4 Board Executive Committee**

The Board Executive Committee is responsible for the effective functioning of the Board, maintenance and development of the Board–Executive Director working relationship, and oversight of certain strategic and essential operational matters, including legislative relations, and appointments of volunteers to subentities. The Executive Director sits on the Board Executive Committee but has no vote and is not counted toward a quorum of the committee.

## **2.12 GOVERNANCE IN THE PUBLIC INTEREST TASK FORCE**

The Governance in the Public Interest Task Force is a seven-member, statutorily mandated body composed entirely of Board members. It is convened every three years to prepare and submit a report to the California Supreme Court, Governor, and the Assembly and Senate Committees on Judiciary. The report must include its recommendations for enhancing the protection of the public and ensuring that protection of the public is the highest priority in the licensing, regulation and discipline of attorneys. Beginning in 2011, a report is due every three years on May 15. The Governance in the Public Interest Task Force will convene again in 2019, 2022, 2025, and 2028, to produce reports for 2020, 2023, 2026, and 2029.

*(Source: Bus. & Prof. Code § 6001.2)*

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# SECTION 3

## MEETING PROCEDURES



### 3.1 APPLICABILITY OF THESE PROCEDURES

These meeting procedures apply to meetings of the Board, Board standing committees, and subentities, with the exception of the Commission on Judicial Nominees Evaluation (JNE) and the Review Committee of the Commission on Judicial Nominees Evaluation (RJNE).

### 3.2 BAGLEY-KEENE OPEN MEETING ACT

All meetings of the Board of Trustees, Board standing committees and State Bar subentities, except for the JNE and the RJNE, are subject to the Bagley-Keene Open Meeting Act (“Bagley-Keene”). Bagley-Keene sets forth notice and agenda requirements, provides for public comment, requires that meetings be conducted in open session (except where closed session is expressly authorized), and prohibits discussing or taking action on matters not included on the agenda. The provisions in this Board Book concerning meeting procedures are intended to restate and supplement Bagley-Keene. To the extent any provision in the Board Book may be inconsistent with Bagley-Keene, Bagley-Keene shall prevail. New Board members and members of subentities shall be trained on the requirements of Bagley-Keene before their first meeting to the extent practicable.

*(Source: Gov. Code § 11120 et seq.; Bus. & Prof. Code §§ 6026.7, 6026.5)*

### 3.3 MEETING FREQUENCY

The full Board of Trustees meets at least six times each year. The meeting schedule can be found at [http://www.calbar.ca.gov/Portals/0/documents/bog/bot\\_ExecDir/bot\\_multi-year-schedule.pdf](http://www.calbar.ca.gov/Portals/0/documents/bog/bot_ExecDir/bot_multi-year-schedule.pdf)

### 3.4 MEETING LOCATIONS

In-person State Bar meetings must be held at the State Bar offices in San Francisco or Los Angeles, unless a quorum of the Board votes to meet elsewhere in California.

*(Source: State Bar Rule 6.91)*

### 3.5 BOARD MEMBER ATTENDANCE AT BOARD MEETINGS

Board members shall, to the extent practicable, attend all Board meetings. Board members unable to attend a meeting should contact the Chair or Executive Director.

Members are requested to notify the Chair when they leave a meeting permanently, prior to its official adjournment for purposes of tracking whether a quorum exists.

### 3.6 AGENDAS

The Executive Director prepares agendas for Board meetings in consultation with the Board Chair. Board members may submit recommended agenda items to the Chair for consideration as soon as practicable but at least 15 days prior to the scheduled meeting.

Board standing committee coordinators and State Bar staff assigned to subentities prepare agendas for meetings in consultation with the Board standing committee and subentity chairs, respectively.

*(Source: State Bar Rule 6.42)*

### 3.7 CLOSED SESSION

All matters discussed in closed session are confidential. Members of the public are not allowed in the meeting room during closed session.

Bagley-Keene sets forth the following examples of matters that can be considered in closed session:

- Certain personnel matters, such as the appointment, evaluation or dismissal of Board-appointed staff
- Certain California Bar Examination matters, such as the preparation, approval, grading or administration of examinations
- Anticipated and pending litigation
- Collective bargaining

*(Source: Gov. Code § 11126; Bus. & Prof. Code § 6026.7)*

### 3.8 RECORD OF MEETINGS

Minutes of topics discussed and decisions made at Board meetings shall be maintained by the Secretary.

The minutes of a closed session are created and maintained by the Secretary or a designee of the Executive Director.

*(Source: Gov. Code § 11126.1; State Bar Rule 6.42)*

### 3.9 VOTING ON MOTIONS

To vote at a meeting, Board members must be present in person or by telephone at a properly noticed address. Voting by proxy is not allowed. A roll call vote will be taken after each motion. Member's names will be called and each member will state their vote for the motion as follows:

- Support – Yes
- Oppose – No
- Abstain (not counted as a vote)
- Recused (not counted as a vote)

At in-person meetings “substitution of the roll” is allowed as long as there has been no change in the composition of the body since the last vote or since the call of roll and no members object. “Substitution of the roll” allows the Board to take action without a roll call vote but, instead, by affirmation of those present without objection.

Substitution of the roll is not permitted at meetings that are held by video- or telephone-conference.

### 3.10 MEETING RULES

The Board will use Robert's Rules of Order, to the extent they do not conflict with state law (e.g., Bagley-Keene), as a guide when conducting its meetings.

### 3.11 AUDIO/VISUAL RECORDING OR WEBCAST

Audio and video of meetings may be recorded and/or broadcast live via the Internet (webcast).

### 3.12 PUBLIC COMMENT ON RULES

Proposals for the Rules of the State Bar are circulated for public comment before adoption, amendment or repeal by the Board. The State Bar also makes available for public comment its proposals for the California Rules of Court. Proposals are circulated for a 45-day period, which can be shortened to a minimum of 30 days or extended to a maximum of 90 days, as designated by the Board.

Public comment is not required in the following circumstances:

- to correct clerical errors; clarify grammar; improve organization; conform to specific changes in a law; update references or citations; or make similar editorial changes;
- to modify a proposal that has been circulated for public comment when the Board deems the modification non-substantive, reasonably implicit in the proposal or a narrowed version of a proposal; or
- to add or modify an appendix to the Rules of the State Bar.

The Board may determine that an emergency requires it to adopt, amend or suspend a rule on an interim basis without first circulating it for public comment. No interim measure may remain in effect for more than 120 days.

The adoption, amendment or repeal of a rule becomes effective as of the date specified by the Board. If no date is specified, then the change becomes effective on the date of the Board's action.

*(Source: State Bar Rule 1.10)*

# SECTION 4

## SUBENTITIES OF THE STATE BAR



### 4.1 SUBENTITIES

Subentities of the State Bar are the committees, commissions, boards and councils that provide support and advice to the Board in a number of key areas of State Bar policy, programs, and operations. Members of subentities are volunteers. Members of some subentities are appointed exclusively by the Board, while others are appointed by multiple appointing authorities. Subentities fall under the oversight of the Board. See [Appendix E](#) for an overview of subentity duties, composition, and appointing authorities.<sup>1</sup>

### 4.2 APPOINTMENTS TO SUBENTITIES

The State Bar solicits applications from members of the legal community and the public to serve on subentities and seeks to ensure that the pool of candidates and the composition of the subentities are inclusive and broadly representative of the diversity of California's population.

The Board Executive Committee reviews applications and makes appointment recommendations to the full Board. Upon appointment, all State Bar volunteers must be provided a formal orientation that includes, among other State Bar related topics, training on Bagley-Keene open meeting requirements, conflicts of interest, the California Public Records Act, implicit bias and diversity.

### 4.3 RESTRICTION ON APPOINTMENTS TO SUBENTITIES

Advisors, ex officio members and consultants may not be appointed to State Bar subentities unless authorized by the Board of Trustees.

### 4.4 SUBENTITY YEAR

For all subentities, except the Commission on Judicial Nominees Evaluation, the year begins and ends at the conclusion of the Annual Meeting, typically in September, unless otherwise provided by law.

1. The Commission on Judicial Nominees Evaluation is unique among State Bar subentities in that it issues confidential reports on judicial candidates to the Governor, has autonomy from the Board of Trustees, and operates under strict rules of confidentiality as required by Government Code Section 12011.5 and State Bar Rules Title 7, Division 1.

#### 4.5 POLICY ON NUMBER OF SUBENTITIES

A subentity may only be created if it has work to do. Similarly, a person may only be appointed to a subentity if the subentity has work assigned to it.

#### 4.6 PRESUMPTION ON SUBENTITY SIZE

Unless a specific exception applies or a justification is established based on workload or need for representation, or otherwise provided by law, subentities shall have no more than seven members.

#### 4.7 JUSTIFICATION PROCESS FOR LARGER SUBENTITIES

Subentities may be created with more than seven members if justified by the workload of the subentity or if there is a need for broad representation.

If a proposal for the creation of a subentity recommends that it have more than seven members, that proposal must provide the following information in writing to the Board committee with oversight responsibility:

WORKLOAD		REPRESENTATION	
<b>Type of work</b>	Description of the work that will be done by the subentity.	<b>Role needed</b>	Description of the category of representation that is sought and the reason why seven members is insufficiently representative in terms of professional background, geography, demography, etc.
<b>Quantity of work</b>	Description of the reason why the work required of the subentity could not be performed by seven or fewer members.	<b>Reason needed</b>	Description of the reason that role is needed.

The Board committee with oversight responsibility will then make a recommendation to the full Board based upon its determination of the merits of the request.

No subentity may have more than seven members unless the larger size is approved by the Board.

#### 4.8 SUNSET REVIEW OF SUBENTITIES

All subentities, except those that are statutorily mandated, will be subject to sunset review every five years beginning in 2023. The sunset reviews shall be conducted by the Board Executive Committee, which will make its recommendation to the full Board.

#### 4.9 TERM OF MEMBERSHIP

Members of subentities serve four-year staggered terms except where the rules of the subentity specify otherwise. The Board's general policy is to permit only a single term but may make exceptions at its discretion. Exceptions include:

- If the Board fills a vacancy mid-term, the appointee will serve the remainder of the term and is eligible at the Board's discretion for one additional consecutive term;
- The terms for members of the Commission on Judicial Nominees Evaluation are one year; members may serve three consecutive terms subject to satisfactory evaluation by the Chair at the end of each year and may serve a fourth year as chair;
- The two Board members of the Review Committee of the Commission on Judicial Nominees Evaluation are selected by the Board Chair at the start of each Board year and serve only one year terms subject to reappointment by the successor Board Chair.

If the Board exercises its discretion and allows reappointment to a second term, the member may not serve a third consecutive term. Members may, however, serve additional years if appointed Chair, Vice-Chair or Chair-Elect, up to a total of two additional years if the member serves one year as Vice-Chair or Chair-Elect, and another as Chair.

#### 4.10 REAPPOINTMENT OF SUBENTITY VOLUNTEERS FILLING VACANCIES IN UNEXPIRED TERMS

Unless statute requires otherwise, subentity volunteers appointed to fill a vacancy in unexpired terms of one year or less may be reappointed for an additional full four-year term. Members appointed to fill unexpired vacancies of more than one year are not eligible for reappointment, except to serve as an officer.

#### 4.11 SELECTION AND TERM OF OFFICERS

Officers of subentities are appointed by the Board to serve for one-year with the possibility of reappointment.

## 4.12 SUBENTITIES APPOINTED EXCLUSIVELY BY THE BOARD

### 4.12.1 Committee on Professional Responsibility and Conduct

The Committee on Professional Responsibility and Conduct (COPRAC) addresses matters involving professional responsibility to facilitate compliance by licensees with their ethical duties. COPRAC's work consists of drafting advisory opinions on issues of professional responsibility, and studying and recommending changes to the Rules of Professional Conduct. COPRAC also drafts arbitration advisories providing guidance to fee arbitrators administering attorney-client fee disputes under the Mandatory Fee Arbitration Program.

### 4.12.2 California Board of Legal Specialization

The California Board of Legal Specialization (CBLS) administers a program that certifies specialists in specific areas of law, identifying those attorneys who have demonstrated proficiency in specialty fields through certification, and encouraging attorney competence. The CBLS recommends program rules and provides policies and guidelines for certification of specialists; develops testing and legal education criteria for specialists; and advises the Board on establishment of specialty fields.

### 4.12.3 Council on Access and Fairness

The Council on Access and Fairness advises the Board on advancing the State Bar's diversity and inclusion strategies and goals.

### 4.12.4 Client Security Fund Commission

The Client Security Fund (CSF) reimburses clients who have lost money or property due to theft or an equivalent dishonest act committed by a California lawyer acting in a professional capacity. The CSF Commission reviews and rules on appeals of reimbursement decisions made by State Bar staff.

### 4.12.5 Commission on Judicial Nominees Evaluation

The Commission on Judicial Nominees Evaluation (JNE) assists the governor in the judicial selection process by providing independent, comprehensive, accurate and fair evaluations of candidates for judicial appointment and nomination.

*(Source: Gov. Code § 12011.5)*

#### **4.12.6 Review Committee of the Commission on Judicial Nominees Evaluation**

The Review Committee of the Commission on Judicial Nominees Evaluation (RJNE) reviews requests from candidates seeking reconsideration of a "not qualified" rating by the JNE. RJNE evaluates information pertaining to the investigation of the candidate and focuses on possible violations of rules or procedures.

#### **4.13 AD HOC COMMITTEES**

Ad hoc committees are established by the Board for the purpose of accomplishing a specific goal within a specified timeframe. Unless the Board extends the term of an ad hoc committee, these committees will sunset automatically when they complete their work or at the end of their specified timeframe. Ad hoc committees can be composed of both Board members and volunteers. See [Appendix F](#) for a list of current ad hoc committees.

#### **4.14 SUBENTITIES WITH MULTIPLE APPOINTING AUTHORITIES**

##### **4.14.1 Committee of Bar Examiners**

The Committee of Bar Examiners (CBE) oversees the California Bar Examination, moral character determination process and the First-Year Law Students' Examination. The CBE makes recommendations for rules and guidelines governing admissions functions; recommends qualified applicants to the California Supreme Court for admission to practice law in California; accredits law schools; registers unaccredited law schools; and studies and reports on proposed changes in the law and other matters concerning requirements for admission to practice law in California.

##### **4.14.2 Legal Services Trust Fund Commission**

The Legal Services Trust Fund Commission administers grant programs that fund nonprofit civil legal aid organizations, including Interest on Lawyers' Trust Accounts (IOLTA) grants, the Equal Access Fund and the Justice Gap Fund.

## 4.15 APPOINTMENT TO EXTERNAL ENTITIES

### 4.15.1 Judicial Council

The Judicial Council is the constitutionally created policymaking body of the California courts, the largest court system in the nation. Under the leadership of the Chief Justice and in accordance with the California Constitution, the Council is responsible for ensuring the consistent, independent, impartial and accessible administration of justice. The State Bar appoints four members to the Judicial Council.

*(Source: Cal. Const. Art. VI, § 6; Cal. Rule of Court 10.2)*

### 4.15.2 American Bar Association House of Delegates

The House of Delegates (HOD) is the policy-making body of the American Bar Association (ABA). The State Bar's delegates are part of the California delegation, which also consists of delegates appointed by ten local bar associations, ABA sections and divisions, and former officers and ABA board members. The State Bar appoints six of California's 26 delegates to the ABA's HOD.

### 4.15.3 Legal Services Corporation

The Legal Services Corporation is a non-profit corporation funded through the federal appropriations process. It seeks to ensure equal access to justice under the law by distributing grants to legal aid organizations providing civil legal assistance to individuals based on federal poverty guidelines. The Board appoints representatives to serve on boards of directors of programs funded by the Legal Services Corporation, including the boards of:

- Legal Services of Northern California
- California Rural Legal Assistance
- California Indian Legal Services
- Legal Aid Foundation of Los Angeles
- Legal Aid Society of Orange County

# SECTION 5

## BOARD PLANNING AND FISCAL OVERSIGHT



### 5.1 STRATEGIC PLANNING

The State Bar develops and adopts a five-year strategic plan which is updated every two years. Each year in January, the State Bar conducts a planning session to review its progress and propose other measures to enhance its mission of public protection. Progress reports are provided to the Supreme Court, the Governor, and the Senate and Assembly Committees. See [Appendix G](#) for the current Strategic Plan.

*(Source: Bus. & Prof. Code § 6140.12)*

### 5.2 FISCAL OVERSIGHT

#### 5.2.1 Budget

The budget is the primary instrument of fiscal control and contains all income and expenses of the State Bar. The State Bar's strategic plan provides the framework for the annual budget formulation and process. The budget presented to the Board for approval is prepared by the Office of Finance under the direction of the Chief Financial Officer. Each proposed budget includes the estimated revenues, expenditures, and staffing levels for all of the offices and funds administered by the State Bar. The budget correlates to State Bar legislative efforts in that it provides background information for the annual Fee Bill, which is the mechanism through which the State Bar receives the majority of its funding.

Following is a brief summary of the budget process and its relationship to the Fee Bill:

- January – Board adopts its final budget
- February – State Bar submits its final budget to the Legislature
- May – Fee Bill must pass house of origin
- September – Fee Bill must pass second house
- October – Governor must sign Fee Bill

During the year, quarterly financial reports, mid-year forecasting and budget-to-actual variance reports must be presented to the Board. An explanation of budgeted line item variance greater than \$100,000 of the budgeted line item shall be included in the report.

The Board may, by resolution, amend any adopted budget, upon the recommendation of the Finance Committee. All budget transfers of \$250,000 or more, all transfers between funds, and all increases of budgeted expenditures must be approved by the Board, except in the case of an emergency. In an emergency they may be approved by the Executive Director after consultation with the Chair and Vice Chair, with notice given to the Board at its next regularly scheduled meeting.

### **5.2.2 Revenue**

The State Bar receives its revenue from mandatory fees, voluntary donations, examination fees, grants and other revenue. The majority of the State Bar's revenue comes from mandatory fees, which include the attorney licensing fee. Examination fees include revenues from the First-Year Law Students' Examination and the California Bar Examination. Revenue also includes grants received by the State Bar from a variety of granting agencies and other sources. The State Bar also generates revenue through voluntary fees from licensees and donations.

### **5.2.3 Investment Policy**

It is the policy of the State Bar to invest public funds in a manner which will provide the maximum security with the best investment return, while meeting the daily cash flow demands of the State Bar and conforming to all laws governing the investment of public funds.

This policy is reviewed at least annually for the purpose of recommending needed changes and modifications. The Chief Financial Officer is responsible for initiating the review.

The State of California establishes standards for investment instruments and the State Bar utilizes these standards by diversifying its investment portfolio to minimize the risk of loss.

The Chief Financial Officer will provide quarterly reports to the Board on the status of the State Bar's investment portfolio.

### **5.2.4 Reserve Policy**

The Board has adopted and maintains a reserve policy for specific programs and funds that reflects a two-month, or 17 percent, minimum target reserve level and a 30 percent reserve ceiling. The policy identifies circumstances under which reserves may be reduced below the minimum target level, such as:

- Meeting one-time needs, including: cash flow; short term revenue gaps; unexpected expenditure requirements or revenue shortfalls; and investments, such as technology, human resources or other improvements that would strengthen State Bar revenues or reduce future costs; or
- Providing a strategic bridge to the future where a multi-year forecast shows an ongoing structural gap.

The policy also sets parameters for spending reserve balances in excess of the reserve ceiling. Any expenditure that would cause the balance of the General Fund, or any fund within the Restricted or Special Revenue Program Funds, to fall to a level totaling 10 percent or less of recurring annual operating expenses must be approved by the Board. The policy, like other financial policies, should be reviewed and revised periodically by the Board and is an oversight responsibility of the Finance Committee.

### 5.2.5 Contracts

The Board must approve any contract for goods, services, or both, for an aggregate amount greater than \$50,000, or for information technology goods, services, or both, for an aggregate amount greater than \$100,000. The Executive Director may approve these contracts between Board meetings due to necessity provided that the contract is also approved by the Board Executive Committee and the Board is notified at the next regularly scheduled Board meeting.

*(Source: Bus. & Prof. Code 6008.6)*

### 5.2.6 Settlement of Claims against the State Bar

The Board must approve settlements in amounts exceeding \$50,000, or in any matter which implicates a material policy issue for the State Bar, upon recommendation of the Board Executive Committee or the committee designated by the Board to review legal matters. A “material policy issue” is one with important political or operational consequences for the future of the State Bar.

*(Source: Gov. Code § 900 et. seq.)*

### 5.2.7 Audits

The State Bar is subject to the following types of audits:

1. Annual Financial Audit by Independent Auditors

A financial audit is conducted by external independent auditors annually and reviews management and governance practices to ensure their compliance with all applicable standards, including those of the Governmental Accounting Standard Board and the Financial Accounting Standards Board.

*(Source: Bus. & Prof. Code § 6145)*

2. Biannual Audit by the California State Auditor

The audit by the California State Auditor is a financial compliance and performance audit that focuses on the finances, discipline system, and other issues (varying from year to year) determined by the auditor. In addition, the audit follows-up on concerns and problems highlighted from previous audits. There are no management practices that are outside of the State Auditor's purview. The State Auditor may audit any function, including confidential and non-public files, and including the Office of the Chief Trial Counsel and the Office of General Counsel.

*(Source: Bus. & Prof. Code § 6145)*

3. Internal Control Review by Independent Auditors

The five-year internal control review of the State Bar's budget and fiscal policies and procedures is conducted by an independent consultant under the oversight of the Audit Committee.

# SECTION 6

## ADVOCACY: LEGISLATION, RULEMAKING AND AMICUS CURIAE



### 6.1 LEGISLATION

The State Bar works closely with the Legislature to ensure that the framework governing the legal profession is consistent with the State Bar’s public protection mission and the goals of the State Bar established in its Strategic Plan.

State Bar staff work with Board legislative liaisons to monitor legislative activity and advocate for the State Bar on legislative, policy and budget matters before the Legislature and Governor. The State Bar generally takes no position on bills involving substantive law. However, it may take a position on an apparent issue of substantive law if issues of procedure and substance are so inextricably intertwined that they directly affect the State Bar’s core mission.

Legislative advocacy by Board members, Board standing committees or subentities in the name of the State Bar may only occur by permission of the Board of Trustees or its designees. No standing committee or subentity of the State Bar may advocate in its own name.

### 6.2 RULEMAKING

To define and carry out statutes contained in the State Bar Act, the Board has promulgated State Bar Rules that the Board may amend or repeal at its discretion. State Bar Rules outline the practices of the State Bar, including those related to its governance, admissions and educational standards, programs and services.

The Board may recommend to the Supreme Court enactment or modification of Rules of Professional Conduct. Rules of Professional Conduct establish standards of legal ethics and professional responsibility for attorneys in California and take effect upon approval by the Supreme Court.

The State Bar also works with the California Supreme Court on California Rules of Court regarding the practice of law.

*(Source: Bus. & Prof. Code §§ 6025, 6077)*

### 6.3 AMICUS CURIAE

As a regulatory agency, the State Bar does not generally participate in litigation as amicus curiae. Amicus participation by the State Bar will generally be considered only where the litigation impacts issues germane to the State Bar, including the validity, interpretation, and implementation of the State Bar Act and the missions of the State Bar.

No subentity of the State Bar may participate as amicus in its own name in any litigation.

Participation as amicus in the name of the State Bar may occur only by permission of the Board of Trustees or its designees.

Any request for State Bar participation as amicus in any litigation must be submitted to the Office of General Counsel. The Office of General Counsel will make a recommendation whether to participate as amicus. In addition to evaluating requests for participation, the Office of General Counsel may on its own recommend that the State Bar participate as amicus in any litigation.

Any recommendation by the Office of General Counsel whether to participate as amicus will be decided by the full Board of Trustees or, if time does not permit, its Chair.

In the event State Bar amicus participation is approved, the Office of General Counsel will, in consultation with the Chair and/or a designee of the Board of Trustees, oversee the State Bar's amicus participation, including making any appearance necessary on behalf of the State Bar, overseeing preparation and filing of amicus briefs, and, where applicable, approving amicus briefs drafted by third parties in which the State Bar joins.

Any decision by the State Bar not to participate as amicus curiae in any litigation is not intended to be and should not be interpreted as the State Bar taking any position in such litigation.

# SECTION 7

## STAFFING



### 7.1 EXECUTIVE DIRECTOR

The Executive Director is appointed by and is directly accountable to the Board as a whole. While the Board is fundamentally responsible for the governing responsibilities of the State Bar, it delegates responsibility for organizational management to staff through the Executive Director.

The Board has authority to hire and fire only the Executive Director, Chief Trial Counsel and General Counsel. The Executive Director has final authority to hire or fire all other staff, subject to applicable State Bar rules and regulations, and memoranda of understanding with the bargaining units that represent State Bar employees. Because of this organizational structure the Board and its members should not become involved in personnel decisions or any other matters involving any staff member other than those stated above. Concerns regarding State Bar staff should be directed to the Executive Director.

The Executive Director is responsible for the leadership and management of the State Bar according to the strategic direction set by the Board, including:

- Playing an active role in supporting the Board
- Speaking on behalf of the State Bar in public forums
- Executing conflict of interest waivers
- Authorizing certificates of recognition and/or proclamations bearing either the Board Chair or requesting Board member's signature to appropriate persons, groups or staff
- Maintaining key external relationships
- Advancing the State Bar's Strategic Plan
- Providing appropriate direction to staff regarding internal operations and systems development
- Administering State Bar personnel matters
- Managing the financial affairs of the State Bar in an ethical and prudent fashion

An annual and confidential 360° performance evaluation of the Executive Director will be conducted by the Board Executive Committee and presented to the Board for review and approval not more than 90 days after the anniversary date of the Executive Director's appointment. The Board Executive Committee's evaluation will be based on a performance plan for the Executive Director developed in conjunction with the Office of Human Resources and provided to the Executive Director not more than 90 days after appointment. The Board and the Board Executive Committee may meet in closed session to discuss the annual performance evaluation of the Executive Director.

## 7.2 CHIEF TRIAL COUNSEL

The Chief Trial Counsel is the designated legal counsel responsible for the enforcement/prosecutorial arm of the disciplinary system. The Board must appoint a lawyer admitted to practice in California to serve as Chief Trial Counsel (CTC), subject to confirmation by the State Senate. The CTC is appointed for a term of four years and may be reappointed for additional four-year periods. The CTC serves at the pleasure of the Board and must not engage in private practice.

The CTC reports to and serves under the Regulation and Discipline Oversight Committee and does not serve under the direction of the Executive Director. However, the CTC and the Office of the CTC are subject to the executive and administrative authority of the Executive Director with regard to personnel, budget, facilities and other institutional matters. While the CTC works with the Executive Director on personnel and budget matters, the Executive Director has final authority on those matters. The State Bar, through its Executive Director, must respect the prosecutorial integrity and independence of the CTC.

An annual and confidential 360° performance evaluation of the Chief Trial Counsel will be conducted by the Regulation and Discipline Committee and Executive Committee not more than 90 days after the anniversary date of the Chief Trial Counsel's appointment. The Executive Director sits as a non-voting member of the Board Executive Committee in connection with the Chief Trial Counsel's evaluation. The evaluation will be based on a performance plan for the Chief Trial Counsel developed by the Regulation and Discipline Committee in conjunction with the Office of Human Resources and provided to the Chief Trial Counsel not more than 90 days after appointment. The Board and Board standing committees may meet in closed session to discuss the annual performance evaluation of the Chief Trial Counsel.

*(Source: Gov. Code § 1774, Bus. & Prof. Code § 6079.5)*

### 7.3 GENERAL COUNSEL

The Office of General Counsel is the designated legal counsel to the State Bar as an entity, including the State Bar's subentities, subject to the direction of the Board and its Executive Committee. Under Rule of Professional Conduct 1.13 (Organization as Client), the General Counsel represents the Bar as an entity, acting through the Board of Trustees as the Bar's highest body. Legal advice to the State Bar and its subentities shall in all instances be rendered only by the Office of General Counsel, except where the General Counsel retains outside counsel in compliance with existing policy for the retention of such counsel.

The General Counsel is authorized to take all necessary actions to protect the legal interests of the State Bar. The General Counsel shall keep the Board or its designee(s) reasonably informed of significant developments in major legal matters involving the State Bar.

Both the Board Executive Committee and the Executive Director, assisted by the State Bar Office of Human Resources, will conduct a confidential annual 360° performance evaluation of the General Counsel and report to the Board in closed session. The evaluation will be based on a performance plan for the General Counsel.

### 7.4 STATE BAR COURT

Text to Be Determined

*(Source: Bus. & Prof. Code §§ 6079.1, 6086.5, 6086.65; Cal. Rules of Court 9.11; State Bar Rules of Procedure 1015, 1016; Rules and Regulations of the State Bar of California Pertaining to the Benefits, Terms and Conditions Governing State Bar Court Judge Service)*

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# SECTION 8

## COMMUNICATION



### 8.1 CONTACT FOR STATE BAR INQUIRIES

The prevalence of social media and the media in general require that consumers, applicants, licensees and other stakeholders be provided with as much information as possible, in a manner that is consistent, timely, and factually accurate. Written or verbal statements made by individual members of the Board, Board standing committees, or subentities could easily be misconstrued as a statement, policy or decision on behalf of the Board or the State Bar as a whole.

Therefore, the only persons with standing authority to respond to inquiries made to the Board or to make public statements on behalf of the Board or the State Bar are the Executive Director, the Chair or their designees.

While Board members may not speak on behalf of the State Bar unless expressly authorized to do so, Board members may communicate with licensees and other members of the public regarding matters related to the State Bar if:

- the communication is clearly designated as the member's individual act, opinion or position and not that of the State Bar, and
- no confidential matter or document is commented upon or published or released without prior Board approval; and
- no State Bar funds are expended to further the communication, unless prior Board approval is obtained.

*(Source: State Bar Rule 6.21)*

### 8.2 USE OF STATE BAR STATIONERY AND BUSINESS CARDS

State Bar letterhead is to be used only for official business. Only correspondence that is transmitted by State Bar staff may be printed or written on State Bar letterhead.

State Bar business cards, to be used for official business, will be made available to Board members upon request.

### **8.3 ELECTRONIC COMMUNICATIONS (E-MAIL)**

Board members are encouraged to use their official State Bar e-mail addresses or, in the alternative, to copy or forward their State Bar e-mail accounts when conducting State Bar business. This will ensure that the information created, transmitted and received by Board members is stored on the State Bar's e-mail server and will enable Board members and the State Bar to easily search for records responsive to California Public Record Act requests without having to search through personal or work-related e-mails. It will also ensure that State Bar information is securely and confidentially maintained.

### **8.4 RESPONDING TO INQUIRIES FROM THE PUBLIC OR MEDIA**

All technical, license or disciplinary inquiries to a Board or subentity member from applicants, licensees or members of the public should be referred to the Executive Director or their designee. Also, any inquiry or contact from the media should be referred to the Executive Director or their designee.

### **8.5 SPEAKING ENGAGEMENTS AND PUBLIC OUTREACH**

Requests for Board or subentity members to make presentations on behalf of the Bar should be discussed with and approved by the Chair or Executive Director. Discussion should include the subject matter to be presented.

### **8.6 DELEGATION OF AUTHORITY TO EXECUTE COPYRIGHT RELEASES**

The Board authorizes the Executive Director or their designee to execute releases on behalf of the State Bar, in a form approved by the General Counsel, for the reprinting and distribution of materials in which the State Bar owns copyrights, for educational purposes.

# SECTION 9

## EXPENSE REIMBURSEMENT



### 9.1 BOARD MEMBER TRAVEL

Board members will be reimbursed for expenses incurred when conducting required State Bar business as provided for in the Travel and Business-Related Expense Policy for Volunteers and Contractors. To seek reimbursement, all members must submit a completed Expense Report on the current electronic version of the Expense Report form to the Secretary of the Board and include the required supporting documentation. Members should employ expense discipline to minimize travel expenses. The State Bar will provide Board members with the relevant policies and forms necessary to seek reimbursement.

### 9.2 TRAVEL ARRANGEMENTS

Board members are responsible for coordinating their own travel arrangements to and from State Bar meetings and events, except for lodging when the Bar has contracted for a room block for a group meeting. The State Bar participates in the California Statewide Travel Program managed exclusively by the TravelStore, and coordinated by Meeting & Travel staff in the State Bar's Office of General Services. Board members may, if they wish, set up a TravelStore profile and make air, car rental and hotel reservations by phone or by using the TravelStore's online reservation system.

### 9.3 LODGING FOR STATE BAR MEETINGS

The State Bar reserves a block of rooms for most group meetings and events. Staff will send an e-mail prior to the meeting or event to identify those members needing a room and will advise the hotel of the attendees. Attendees of that meeting or event should stay at the contracted hotel to ensure that the minimum number of contracted rooms is met. Board members who choose not to stay at the contracted hotel will only be reimbursed up to the State Bar's per diem rate for lodging.

When the State Bar has not reserved a block of hotel rooms for a group meeting or event, Board members should make their own arrangements, but should confirm if government rates or other discounted rates are available. Reimbursement for lodging expenses will be made for the actual cost of a standard hotel room, up to the maximum authorized lodging rate as noted in the travel policy.

#### 9.4 MEAL PER DIEM

Meal costs will be reimbursed at the authorized per diem meal rate as noted in the travel policy. The meal per diem may not be claimed when a meal is otherwise provided (e.g. a State Bar catered lunch).

#### 9.5 STATUTORY COMPENSATION

Public members (non-attorneys) are entitled to receive \$50 per day for each day actually spent in the discharge of official duties, not to exceed \$500 per month. Members must complete and return the Public Member Request for Statutory Compensation form in order to receive this compensation.

Attorney members do not receive any compensation other than travel reimbursement and the per diem for meals and incidentals when traveling on State Bar business.

*(Source: Bus. & Prof. Code § 6028)*

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# SECTION 10

## BOARD MEMBER TRAINING



### 10.1 BOARD MEMBER ORIENTATION

A mandatory Board member orientation and training meeting will be conducted in conjunction with the September meeting. All State Bar volunteers must be provided a formal orientation which includes, among other State Bar related topics, training on implicit bias and diversity. Members unable to attend the meeting will be offered the opportunity to schedule a substitute meeting to comply with this requirement and may also watch it on an archived webcast.

*(Source: Bus. & Prof. Code § 6079.1)*

### 10.2 ANNUAL BOARD MEMBER TRAINING

As determined by the Chair, in consultation with the Executive Director, ongoing training of the Board will be given as needed throughout the year. Topics may include the Bagley-Keene Act, admissions, the disciplinary process, budget process, access to justice, labor relations, anti-trust policy and the California Public Records Act.

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# SECTION 11

## ETHICS AND CONFLICTS OF INTEREST



### 11.1 CONFLICTS OF INTEREST

Members of the Board of Trustees must act ethically and prudently in exercising their duties, recognizing that their role is that of a fiduciary. Violations of the statutes and policies governing these duties can result in serious penalties, including fines, removal from the Board of Trustees, disqualification from holding public office or criminal sanctions.

#### 11.1.1 Financial Disclosures

The rules regarding financial and personal conflicts for Board Members and the effect and applicability of such rules are governed by statute and the Conflict of Interest Code for the Board of Trustees as adopted by the Supreme Court of California (Conflict of Interest Code). See [Appendix H](#) for references.

Board members must file disclosure statements on the Form 700 prescribed by the Fair Political Practices Commission (FPPC) under certain circumstances as set forth in Government Code sections 87206 and 87207. Board Members shall disclose an investment, interest in real property and income if, during a reporting period, the Board of Trustees has made a decision that materially affects that investment, interest in real property or income.

Section 7 of the Conflict of Interest Code provides the applicable procedures if a Board member believes that disclosure of the name of a person who paid fees or made payments to a business entity would violate a legally recognized privilege under California law.

In addition to Conflict of Interest Code requirements, Board members are subject to the following Business and Professions Code sections regarding disclosures of financial and personal nonfinancial conflicts: Business and Professions Code sections 6035, 6036, 6037 and 6038.

### 11.1.2 Disqualification

Board members must disqualify themselves from making or influencing decisions of the Board, or a committee of the Board, in which they have a financial interest or a personal nonfinancial interest which will prevent them from applying disinterested skill and undivided loyalty to the State Bar.

Whether a Board member has a “financial interest” in a decision is defined by Government Code section 87103, and includes matters where it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official or on a member of their immediate family. In addition, section 87103 contains other enumerated “interests” involving management control or monetary investments in business entities, interest in real property, gifts, and sources of income.

The question whether a nonfinancial interest exists is highly fact-specific. Examples include decisions affecting friends or family members of Board members. Board members should contact the Office of General Counsel if they have any questions as to whether they have an interest in any matter before the Board. See [Appendix H](#) for further references.

When Board members disqualify themselves they must immediately disclose that they have a personal or financial interest, and must refrain from participating in the matter, influencing others and voting.

Any Board member who intentionally violates the conflicts of interest disqualification rules is subject to criminal prosecution, fines and termination from their position as a Board member.

*(Source: Bus. & Prof. Code §§ 6036, 6037.)*

### 11.1.3 Conflict Rules Regarding State Bar Contracts

Strict conflicts of interest rules also apply to State Bar contracts. Board members cannot be financially interested in any contract made by them in their official capacity, by the Board or by the State Bar. For conflict purposes, a contract includes, but is not limited to, purchase orders, payments for good and services, leases and grants.

If one Board Member has a “financial interest,” the State Bar cannot enter into the contract. There are, of course, exceptions to this rule. See [Appendix H](#) for references.

*(Source: Gov. Code § 1090.)*

## 11.2 POLICY RESTRICTING BUSINESS WITH THE STATE BAR AFTER LEAVING OFFICE

Members of the Board of Trustees and Senior Managers designated by the Executive Director for a period of 12 months following expiration of their term of office or termination of employment shall not:

Seek to do, or do, business with the State Bar for monetary gain, or Act as agent or attorney for, or otherwise represent any person, for compensation by making any formal or informal appearance, or any oral or written communication before the State Bar, or any officer or employee or agent thereof, if the appearance or communication is for the purpose of influencing official State Bar action, including the awarding or revocation of services, contracts, or the sale or purchase of goods or property.

The Board, or its designee, may waive the requirements of this policy for good cause.

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# APPENDIX A

## BOARD MEMBERSHIP



### 2019 - 2020 BOARD OF TRUSTEES

#### OFFICERS

**Alan Steinbrecher, Chair**  
*Supreme Court appointee*

**Sean SeLegue, Vice-Chair**  
*Supreme Court appointee*

#### TRUSTEES

**Mark Broughton**  
*Supreme Court appointee*

**Hailyn Chen**  
*Supreme Court appointee*

**José Cisneros**  
*Governor appointee*

**Ruben Duran**  
*Assembly attorney appointee*

**Juan De La Cruz**  
*Assembly public appointee*

**Sonia T. Delen**  
*Governor appointee*

**Chris Iglesias**  
*Governor appointee*

**Renée LaBran**  
*Governor appointee*

**Debbie Y. Manning**  
*Senate public appointee*

**Joshua Perttula**  
*Senate attorney appointee*

**Brandon N. Stallings**  
*Supreme Court appointee*

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# APPENDIX B

## BOARD STANDING COMMITTEE AND LIAISON ASSIGNMENTS

### BOARD STANDING COMMITTEE ASSIGNMENTS 2019-2020

(Revised January 24, 2020)

#### Board Executive Committee [Ex Com] (110)

1. Alan Steinbrecher (Supreme Court), Chair
2. Sean SeLegue (Supreme Court), Vice-Chair
3. Ruben Duran (Assembly)
4. Renée LaBran (Governor)
5. Debbie Manning (Senate)
6. Donna Hershkowitz (ex officio)

*Staff Coordinator: Dag MacLeod*

#### Regulation and Discipline Committee [RAD] (120)

1. Brandon Stallings, Chair
2. Ruben Duran, Vice-Chair
3. Alan Steinbrecher
4. Hailyn Chen
5. Juan De La Cruz
6. Renée LaBran
7. Debbie Manning
8. Joshua Perttula
9. Sean SeLegue

*Staff Coordinator: Lisa Chavez*

**Finance Committee [Finance] (140)**

1. Renée LaBran, Chair
2. Mark Broughton
3. Sonia Delen

*Staff Coordinator: Veronica Alvarez*

**Audit Committee [Audit] (180)**

1. Joshua Perttula, Chair
2. Hailyn Chen
3. Sonia Delen

*Staff Coordinator: Linda Katz*

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2019 – 2020

## BOARD OF TRUSTEES LIAISON ASSIGNMENTS

(Revised January 24, 2020)

<b>ASSIGNMENT</b>	<b>DESIGNATED TRUSTEES</b>
<b>Access to Justice</b>	Debbie Manning
<b>Administration / Personnel / Labor Relations</b>	Hailyn Chen / Ruben Duran
<b>Admissions</b>	Mark Broughton
<b>Appointments</b>	Mark Broughton / Juan De La Cruz
<b>Budget</b>	Renée LaBran
<b>Diversity and Inclusion</b>	Hailyn Chen
<b>Legislative Relations / Communications</b>	Juan De La Cruz / Debbie Manning Joshua Perttula
<b>Litigation</b>	Sean SeLegue
<b>Programs</b>	Sonia Delen / Brandon Stallings
<b>SPECIAL ASSIGNMENT</b>	<b>DESIGNATED TRUSTEES</b>
<b>Review Committee, Commission on Judicial Nominees Evaluation (RJNE)</b>	Debbie Manning / Joshua Perttula
<b>Applicant Evaluation and Nomination Committee (AENC)</b>	Mark Broughton / Sonia Delen

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## **Appendix C**

### **Calendar of Annually Recurring Agenda Items**

The following are standing items on most agendas of the Board of Trustees (BOT):

#### Open Session

- Approval of open session minutes from prior meeting
- Approval of contracts (if related to bar exam, placed in Closed Session)
- Executive Director report (including reporting on metrics)
- Licensee Requests for Adjustment of Fees, Penalties and Charges

#### Closed Session

- Approval of closed session minutes from prior meeting
- Litigation reports

At least once a year, the BOT should also expect the following items to be presented in closed session:

- Executive Director performance evaluation report
- General Counsel performance evaluation report
- Chief Trial Counsel performance evaluation report

## September Meeting

- *Final meeting of outgoing BOT<sup>1</sup>*
  - Attorney Regulation and Consumer Resources (consent)
    - Annual Recommendation Regarding Licensees Not in Compliance with Minimum Continuing Legal Education (MCLE) Audit
    - Proposed [Following Year] Changes to Schedule of Licensee Fees, Penalties, Charges and Deadlines
  - Office of Finance (consent)
    - Q2 Financial Statement Report, Investment Report, Client Security Fund Report
    - Q2 Board and Management Travel Expenses
  
- *First meeting of incoming BOT*
  - Administration of Oath of Office
  - Permission for Members to be Absent from State (consent)
  - Annual Approval of Secretary (consent)
  - Reports
    - Chair Report
      - Approval of Board Committee and Liaison Assignments
      - Multi-Year Schedule of Board of Trustees Meetings – informational
    - Strategic Plan Status Report (1<sup>st</sup> of 2; 2<sup>nd</sup> report delivered at May meeting)
  - Office of Finance<sup>2</sup> (consent)
    - Mid-Year Budget Variance Report / Projection – informational

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<sup>1</sup> At final meetings of old Board Committees, reports are made on Work Plan progress.

<sup>2</sup> Audit Committee only: Annual Audit on Past Audit Findings

## **November Meeting**

- Conflict of Interest Code: Request to Circulate for Public Comment (or Request for Approval if no public comment needed)
- Annual Recommendation for Appointment and Reappointment of Fee Arbitrators; Reappointment of Presiding Arbitrator and Assistant Presiding Arbitrators (consent)
- Attorney Regulation and Consumer Resources (consent)
  - Annual Recommendation to the Supreme Court for Expungement of Suspensions of Licensees Delinquent in Payment of License Fees, Penalties and Charges
  - Annual Recommendation for Expungement of Administrative Inactive Status for Minimum Continuing Legal Education (MCLE) Non-Compliance in Accordance with Rule 9.31
- Office of Finance (consent)
  - Q3 Financial Statement Report, Investment Report, Client Security Fund Report
  - Q3 Board and Management Travel Expenses
  - Annual Review of Investment Policy

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## January Meeting

Strategic Planning Session and BOT meeting: The goal of the two-day meeting is to review the progress made towards achieving the goals and objectives of the State Bar Five-Year Strategic Plan and determine whether any changes are needed; Business and Professions Code section 6140.12 requires that the BOT complete and implement a five-year strategic plan and update it every two years in conjunction with submission of BOT's final budget as required by Business and Professions Code section 6140.1.

- Adoption of Revised Strategic Plan, if necessary<sup>3</sup>
- Conflict of Interest Code: Return from Public Comment and Request for Approval (if not approved at November Meeting)
- Approval of Legislative Priorities
- Annual Report of Debt Collection Efforts for [Prior Year] (consent)
- Office of Finance
  - **Mandated Submission:** Approval of State Bar Final [Current Year] Budget Pursuant to Business and Professions Code section 6140.1 (due February 28)

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<sup>3</sup> At Committee level, Board Committees incorporate revised Strategic Plan goals and objectives into Board Committee Work Plans; Board Committee Work Plans are approved by Board Executive Committee.

## March Meeting<sup>4</sup>

- **Mandated Submission:** Receipt and Filing of Annual Lawyer Assistance Program Oversight Committee Report Pursuant to Business and Professions Code Section 6238 (due March 1)
- **Mandated Submission:** Receipt and Filing of Biannual Diversity Report Pursuant to Business and Professions Code Section 6001.3(c) (due March 15 every odd year)
- **Mandated Submission:** Approval of Annual Discipline Report (ADR) Pursuant to Business and Professions Code section 6086.15 (due April 30)
- **Mandated Submission:** Receipt and Filing of Annual Legal Services Trust Fund Program Report Pursuant to Business and Professions Code Sections 6145(a) and 6222 (due 120 days after close of fiscal year, April 29 or April 30 depending on leap year)
- Annual Report on Use of Outside Counsel for [Prior Year] (consent)
- Office of Finance (consent)
  - Approval of Cost Allocation Policy
  - Q4 Financial Statement Report, Investment Report, Client Security Fund Report
  - Q4 Board and Management Travel Expenses

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<sup>4</sup> Board approves subentity work plans for: Committee of Bar Examiners; Law School Council; Committee of Committee of State Bar Accredited and Registered Schools; California Board of Legal Specialization; Council on Access and Fairness; Legal Services Trust Fund Commission.

## May Meeting

- External Entity Appointments (consent)
  - American Bar Association House of Delegates
  - Judicial Council
- Strategic Plan Status Report (2<sup>nd</sup> of 2; 1<sup>st</sup> report delivered at September meeting of incoming BOT)
- **Mandated Submission:** Receipt and Filing of [Prior Year] Annual Legal Services Trust Fund Program Report Pursuant to Business and Professions Code Sections 6145 and 6222
- **Mandated Process:** Annual Hearings on Discipline, Admissions and Attorney Competence Pursuant to Business and Professions Code Section 6095(a) (So Cal)
- Attorney Regulation and Consumer Resources (consent)
  - Annual Recommendation to Supreme Court of California for Suspension of Licensees Delinquent in Payment of License Fees, Penalties or Costs
  - Annual Recommendation Regarding Licensees Not in Compliance with Minimum Continuing Legal Education (MCLE) Requirements
- Office of Finance (consent)
  - **Mandated Submission:** Report of Action Taken by the Audit Committee: Receipt and Filing of Annual Financial Statements and Report of Independent Auditors Pursuant to Business and Professions Code section 6145(a) (due 120 days after close of fiscal year, April 29 or 30 depending on leap year)
  - **Mandated Submission:** Receipt and Filing of Biannual State Audit Report (due May 1 every odd year)
  - Q1 Financial Statement Report, Investment Report, Client Security Fund Report
  - Q1 Board and Management Travel Expenses

## July Meeting

- Subentity Appointments (consent)
- Approval of Interest on Lawyers' Trust Accounts (IOLTA) Grant Distribution for Following Year
- **Mandated Process:** Annual Hearings on Discipline, Admissions and Attorney Competence Pursuant to Business and Professions Code Section 6095(a) (No Cal)

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# APPENDIX D

## STANDING COMMITTEE CHARTERS



### CHARTER FOR BOARD EXECUTIVE COMMITTEE

The Chair of the Board of Trustees shall serve as the Chair of the Board Executive Committee and the Vice Chair of the Board of Trustees shall serve as its Vice Chair. The Board Executive Committee shall include at least one Board member appointed by each of the following appointing authorities: (1) The Supreme Court; (2) The Governor; (3) The Speaker of the Assembly; and (4) The Senate Committee on Rules. The Executive Director shall be a member of the Board Executive Committee, but shall have no vote and shall not be counted towards a quorum of the Board Executive Committee. The Board Executive Committee shall be responsible for the effective functioning of the Board of Trustees, the maintenance and development of Board of Trustees–Executive Director working relationship, and the oversight of certain high-level internal operational matters.

The Board Executive Committee shall:

- **Board of Trustees Functioning:** Oversee the functioning of the Board of Trustees by coordinating the work of the other Board committees and approving Board Committee work plans; keep the State Bar Mission Statement updated; set Board Member performance standards; monitor Board Member performance; perform the annual Board Assessment; and maintain and update the Trustee Skills Matrix to assist the Board and appointing authorities in Trustee and officer selection and development.
- **Board Book:** Approve amendments to the Board of Trustees Policy Manual, also referred to as the Board Book, subject to Board ratification.
- **Volunteer Management/Coordination:** Review and approve recommendations of volunteer applicants to serve on State Bar subentities and external entities with the goal of ensuring well-qualified and diverse membership on the subentities and external entities.

- **Executive Director Evaluation:** An annual performance evaluation of the Executive Director will be conducted by the Executive Committee and presented to the Board for review and approval within 90 days of the anniversary date of the Executive Director's appointment. The Executive Committee will conduct its evaluation using a performance plan established in conjunction with the Office of Human Resources and Executive Director. The performance plan will be provided to the Executive Director within 90 days of appointment. The Bar may meet in closed session to discuss the annual performance evaluation of the Executive Director.
- **General Counsel Evaluation:** The Office of General Counsel is the designated legal counsel to the Bar as an entity, including the Bar's sub-entities, subject to the direction of the Board and its Executive Committee or the committee designated by the Board to review legal matters.

An annual performance evaluation of the General Counsel will be conducted by the Executive Committee and Executive Director and will be presented to the Board for review within 90 days of the anniversary date of the General Counsel's appointment. The Executive Committee will conduct its evaluation using a performance plan established in conjunction with the Office of Human Resources and the Executive Director. The performance plan will be provided to the General Counsel within 90 days of appointment. The Bar may meet in closed session to discuss the annual performance evaluation of the General Counsel.

- **Chief Trial Counsel Evaluation:** The Chief Trial Counsel is the designated legal counsel responsible for the enforcement/prosecutorial arm of the disciplinary system. The Executive Director selects the Chief Trial Counsel, the selection is appointed by the Board, and the candidate is subject to Senate confirmation. The Chief Trial Counsel is appointed for a term of four years and may be reappointed for additional terms. The Chief Trial Counsel reports to the Regulation and Discipline Committee in connection with the exercise of prosecutorial direction.

*(Source: Bus & Prof. Code § 6079.5.)*

An annual performance evaluation of the Chief Trial Counsel will be conducted by the Regulation and Discipline Committee and Executive Committee and will be presented to the Board for review within 90 days of the anniversary date of

the Chief Trial Counsel's appointment. The Regulation and Discipline Committee will conduct its evaluation using a performance plan established in conjunction with the Office of Human Resources and Executive Director. The performance plan will be provided to the Chief Trial Counsel within 90 days of appointment. The Bar may meet in closed session to discuss the annual performance evaluation of the Chief Trial Counsel

- **Senior Executive Oversight:** Receive reports from the Executive Director regarding any material changes to terms and conditions of employment or performance of any senior executive.
- **Litigation Oversight:** Address legal issues and recommend Board action as appropriate; and provide oversight of litigation involving the State Bar.
- **Settlement Authority Oversight:** Receive reports from General Counsel on all non-material policy settlements up to \$25,000. Authorizes non-material policy settlements between \$25,001 and \$50,000 and reports about the settlements to the Board on a quarterly basis. Makes recommendations to the Board for all settlements more than \$50,000.
- **Operational Responsibilities:** Address internal operational issues not falling within the purview of other Board committees and non-delegable to staff (e.g. ratifying union/management Memoranda of Understanding, recommending changes to internal rules and regulations such as conflict in interest policies, responding to governmental inquiries and other matters such as fee bill negotiations), recommending Board action as appropriate.
- **Delegation of Authority:** Take action on behalf of the Board when obtaining a quorum of the full Board would not be feasible before it is necessary to take action.
  - » Decisions of the Board Executive Committee under this delegation of authority shall be consistent with the goals, values and direction of the Board.
  - » The Executive Director, or an authorized staff member, shall report on any action taken under this delegation of authority promptly and in no event later than the next regularly scheduled Board meeting.
- Perform such other functions relevant to the Board Executive Committee's subject area as the Board of Trustees may from time to time assign.

## CHARTER FOR FINANCE COMMITTEE

The Finance Committee shall develop and lead the Board's participation in all State Bar budget preparation.

The Finance Committee shall:

- **Budget Process:** Consult with the Chair, Vice Chair and Executive Director on the detailed design of the State Bar's budget development cycle and work with the Executive Director and Chief Financial Officer to vet the proposed budget, as well as any mid-year updates or proposed changes to the budget, before presentation and recommendation to the Board of Trustees. Recommend to the Board any amendment to the adopted budget.
- **Financial Review:** Ensure that the financials are thoroughly examined on a quarterly basis; develop a functional and detailed understanding of the State Bar's revenue streams, expenditures, and overall fiscal conditions and issues in order to be engaged proactively in the budget preparation, development and planning process on an ongoing basis; monitor the State Bar's performance relative to the budget; and ensure that appropriate actions are taken to address any material variances to the budget.
- **Oversight:** Ensure as part of the annual operational planning/budget preparation process that a department-by-department fiscal review is performed to evaluate budget projections.
- **Work Plan:** Develop and adopt a Finance Committee Work Plan for approval by the Board Executive Committee; for each Finance Committee project, the Work Plan shall include a description of the project, the Strategic Plan Goal(s) and Objective(s) that are furthered by the project, and an estimated timeline for completion and presentation to the Finance Committee and/or the Board.
- Perform such other functions relevant to the Finance Committee's subject area as the Board of Trustees may from time to time assign.

## CHARTER FOR REGULATION AND DISCIPLINE COMMITTEE

The Regulation and Discipline Committee is a performance-monitoring and oversight committee. It is accountable for monitoring the operational performance of the State Bar's work related to attorney discipline including the Office of Chief Trial Counsel, Office of Probation, State Bar Court, Client Security Fund, and Office of Professional Competence. Pursuant to California Rule of Court 9.11(a)(2) any Board member appointed and serving on the Supreme Court's Applicant and Nomination Committee may not sit on this committee

The Regulation and Discipline Committee shall:

- Establish the key elements of a programmatic reporting process, including the content, format, and frequency of performance reports to the Board, and oversee implementation of the process.
- Oversee (as directed by Bus. & Prof. Code, § 6079.5), the work of the Chief Trial Counsel, who reports to and serves under the Regulation and Discipline Committee.
- Chief Trial Counsel Evaluation: Ensure that the Chief Trial Counsel position description is updated as necessary to reflect changing State Bar needs and priorities, and conduct the annual performance evaluation with the Board Executive Committee. An annual performance evaluation of the Chief Trial Counsel will be conducted by the Regulation and Discipline Committee and Executive Committee and will be presented to the Board for review within 90 days of the anniversary date of the Chief Trial Counsel's appointment. The Regulation and Discipline Committee will conduct its evaluation using a performance plan established in conjunction with the Office of Human Resources and Executive Director. The performance plan will be provided to the Chief Trial Counsel within 90 days of appointment. The Bar may meet in closed session to discuss the annual performance evaluation of the Chief Trial Counsel.
- Approve changes to high-level quality-control policies that apply to the functioning of the State Bar Program Areas under the Regulation and Discipline Committee's performance-monitoring and oversight authority.
- Review performance reports in Regulation and Discipline Committee meetings and report program performance to the full Board.
- Identify and oversee the implementation of needed corrective actions.
- Oversee the preparation of in-depth assessments of program/function effectiveness for presentation at the annual strategic planning session.

- Review internal and external audit reports as they relate to the functions of the State Bar under the Regulation and Discipline Committee's performance-monitoring and oversight authority and oversee implementation of recommendations identified therein.
- Monitor the work of the Special Deputy Trial Counsel Administrator assigned to the management of cases from which the Chief Trial Counsel's Office is recused under Rule 2201 of the Rules of Procedure of the State Bar.
- Oversee the Annual Discipline Report process and underlying discipline statistics.
- Develop and adopt a Regulation and Discipline Committee Work Plan for approval by the Board Executive Committee; for each Regulation and Discipline Committee project listed on the Work Plan, the Work Plan shall include a description of the project, the Strategic Plan Goal(s) and Objective(s) that are furthered by the project, and an estimated timeline for completion and presentation to the Regulation and Discipline Committee and/or the Board.
- Perform such other functions relevant to the Regulation and Discipline Committee's subject area as the Board of Trustees may from time to time assign.

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## CHARTER FOR AUDIT COMMITTEE

The Audit Committee is charged with assisting the Board of Trustees in fulfilling its oversight responsibility as related to the integrity of accounting and financial reporting processes, the system of internal controls, and audit processes. In addition, the Audit Committee is charged with overseeing risk management and compliance efforts. The Audit Committee has a goal of including at least one public member of the Board of Trustees.

The Audit Committee shall:

- Undertake the following responsibilities relating to the annual financial statement audit:
  - » Recommend appointment of the external auditors, taking into account the recommendation of the Executive Director and Chief Financial Officer, for approval by the full Board of Trustees.
  - » Evaluate the independence of the external auditors, including their recent or planned future engagement by the State Bar for non-audit services.
  - » Review and approve the annual audit scope and the fees of the external auditors.
  - » Monitor the progress of the financial statement audit.
  - » Evaluate the results, findings and recommendations of the financial statement audit.
  - » Ensure that the State Bar's responses to control weaknesses and compliance issues identified in the course of the financial statement audit are appropriate and timely.
  - » Serve as a direct communications link between the Board of Trustees and the independent auditor.
  - » Monitor the State Bar's implementation of the financial statement audit recommendations, working with staff to identify other compliance initiatives that should be undertaken.
  - » Review with the Chief Financial Officer or his or her designee and the independent auditor the financial statement audit's results, findings and recommendations, including any difficulties encountered; review with the Chief Financial Officer or his or her designee and the independent auditor all matters required to be communicated to the Audit Committee under generally accepted auditing standards.

- Undertake the following responsibilities relating to financial statements:
  - » Review significant accounting and reporting issues, including complex or unusual transactions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
  - » Review the annual financial statements, and consider whether they are complete, consistent with information known to the Audit Committee members, employ appropriate accounting principles, and appropriately reflect the financial condition of the State Bar.
  - » Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
  - » Understand how staff develops interim financial information, and the nature and extent of external auditor involvement.
- Undertake the following responsibilities relating to cybersecurity:
  - » Recommend commission of a biennial cybersecurity report, taking into account the recommendation of the Executive Director and the Director of Information Technology, to the full Board of Trustees for approval.
  - » Review and approve the biennial cybersecurity report scope and fees.
  - » Evaluate the results, findings and recommendations of the biennial cybersecurity report.
  - » Ensure that the State Bar's responses to control weaknesses and compliance issues identified in the course of the biennial cybersecurity report process are appropriate and timely.
  - » Serve as a direct communications link between the Board of Trustees and cybersecurity experts.
  - » Monitor the State Bar's implementation of the cybersecurity report recommendations, working with staff to identify other cybersecurity initiatives that should be undertaken.
  - » Review with the Executive Director or his or her designee and cybersecurity experts the results, findings and recommendations in the cybersecurity report, including any difficulties encountered, to ensure the State Bar's vigilance in identifying, analyzing and addressing any and all cybersecurity vulnerabilities on an ongoing and continuous basis.

- » In the interim year between the biennial reports, review with the Director of Information Technology the status of cybersecurity including progress in implementation of corrective measures and identification of any new risks or concerns; ensure that the Director of Information Technology's responses to any new risks or concerns are appropriate and timely.
- Review the results of the biennial performance audit conducted by the State Bureau of Audits; and monitor the State Bar's implementation of the financial-related recommendations of the biennial performance audit, working with staff to identify other fiscal and operational initiatives and best practices that should be undertaken.
- Monitor, review and evaluate the effectiveness and adequacy of the State Bar's internal control structure on an ongoing basis:
  - » Ensure that a review of the State Bar's budget and fiscal control policies and procedures be undertaken every five years by an independent consultant.
  - » Review and approve the independent consultant review scope and fees.
  - » Evaluate the results, findings and recommendations of the independent consultant.
  - » Ensure that the State Bar's responses to control weaknesses and compliance issues identified in the course of the independent consultant review, the annual financial statement audit, the State Auditor's biennial review or any other audit or review are appropriate and timely.
  - » Serve as a direct communications link between the Board of Trustees and the independent consultant.
  - » Monitor the implementation of the recommendations, working with staff to identify other internal control initiatives that should be undertaken.
  - » Meet with the Chief Financial Officer and other members of Bar leadership staff, or their designees, on a biennial basis to:
    - Review and discuss the State Bar's internal control structure, including progress on implementation of the recommendations of the independent consultant and other initiatives undertaken to improve the State Bar's internal control structure.

- Ensure the State Bar’s vigilance in identifying, analyzing and addressing significant internal control structure vulnerabilities on an ongoing and continuous basis.
  - Seek assurances from Bar leadership staff on the effectiveness of risk management practices and controls.
  - Reassess whether the policies and procedures provide for the effective identification, assessment, reporting, monitoring and control of the State Bar’s principal risks; if they do not, require that the policies and procedures be updated to address any deficiencies.
- Perform such specific oversight functions as expressly requested by the Board of Trustees.
  - Review, on a quarterly basis, reports prepared by the Office of Finance regarding Executives’ and Board Members’ travel and expense reimbursements.
  - Develop and adopt an Audit Committee Work Plan for approval by the Board Executive Committee; for each Audit Committee project listed on the Work Plan, the Work Plan shall include a description of the project, the Strategic Plan Goal(s) and Objective(s) that are furthered by the project and an estimated timeline for completion and presentation to the Audit Committee and/or the Board.
  - **Access to the Chief Financial Officer:** The Chief Financial Officer shall have direct access to the Board of Trustees on all financial matters, and is authorized to meet with the Committee, or if more expedient with the Audit Committee Chair, on the Chief Financial Officer’s own initiative or at the request of the Audit Committee Chair, outside the presence of other State Bar leadership staff at Audit Committee meetings; in addition, the Audit Committee shall meet independently with the Chief Financial Officer on a quarterly basis.
  - **Access to Information:** The State Bar Audit Committee may request any independent auditor, expert, officer; trustee, agent or employee of the State Bar to appear before it to report on the financial condition of the State Bar and answer any questions the Audit Committee might have, relating to the accomplishment of its responsibilities enumerated in this charter.

- **Limitations on the Role and Responsibilities of the Audit Committee:**  
Oversight Scope Defined: The role and responsibility of the Audit Committee is oversight, not preparation of reports or statements or operation.
  - » The Executive Director and Chief Financial Officer and their designees are responsible for preparing the financial statements; responding to governmental and other reports relating to the State Bar; operating the State Bar, including its financial and accounting systems; and assuring compliance with applicable laws and with policies and procedures established by the Board.
  - » The external auditors are responsible for auditing the financial statements and such other functions as they are specifically engaged to perform.
- **Reliance on Advisory Information Provided by State Bar Leadership staff, Auditors and Others:** In carrying out its oversight function, the Audit Committee is not expected to provide expert or special assurance as to the State Bar's financial statements or professional certification as to the work of the State Bar's staff or of the external auditors. In discharging their duties, the members of the Audit Committee may rely on information, opinions, reports or statements, including financial statements or other financial data, prepared or presented by officers, employees, internal or external counsel, public accountants, committees of the Board duly designated with authority in particular areas, or other persons whom the member believes are reliable and competent in the matters presented, provided that in so relying the member is acting in good faith and with that degree of diligence, care and skill which ordinarily prudent the State Bar Audit Committee members would exercise under similar circumstances.

APPENDIX E  
**SUBENTITY DUTIES, COMPOSITION,  
AND APPOINTING AUTHORITIES**



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# Appendix E

## Subentity Duties, Composition, and Appointing Authorities

Essential information regarding subentity duties, composition, and appointing authorities is included in the Board of Trustees Policy Manual to provide general information about the scope of work of State Bar subentities, and their relationship to the State Bar and the Board of Trustees. Detailed provisions governing the work of subentities can be found in statute, California Rules of Court, State Bar Rules, and Resolutions of the Board of Trustees<sup>1</sup> of the State Bar as specified in references underneath each subentity's charge.

### California Board of Legal Specialization (CBLIS)

#### Charge

*Administer a program to encourage attorney competence by certifying as legal specialists attorneys who have demonstrated proficiency in specified areas of law. The California Board of Legal Specialization (CBLIS) may recommend that the Board of Trustees approve additional areas of legal specialization and their related certification standards. The CBLIS may also recommend that the Board of Trustees authorize other entities to grant certification.*

(Cal Rules of Court, 9.35; Rules of the State Bar, Title 3, Division 2, Chapter 2, Rule 3.90)

#### Membership Composition, Appointment Process, and Terms

##### Number of Members:

Up to 7 members

##### Specific Composition Requirements or Guidelines

Membership must be comprised of at least 5 attorney members and up to 2 non-attorneys.

##### Appointing Authority

Board of Trustees

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<sup>1</sup> References to Board of Trustees resolutions include resolutions of the Board of Governors, the previous name for the Board of Trustees.

Procedures for Appointment

Board of Trustees Policy Manual, Section 4.2

Officers

Chair and vice-chair appointed by the Board of Trustees to serve one-year terms, with the possibility of reappointment

Member Terms

4 Years

Client Security Fund Commission (CSFC)

**Charge**

*Determine whether applications filed with the Client Security Fund qualify for reimbursement under the fund's rules. The Client Security Fund Commission reviews Tentative Decisions issued by Fund Counsel, makes determinations on objections to Tentative Decisions, and makes recommendations to the Board of Trustees on revisions to the fund's rules, the methods for reviewing applications and the financial and administrative needs of the fund.*

(Rules of the State Bar, Title 3, Division 4, Chapter 1, Rule 3.420)

**Membership Composition, Appointment Process, and Terms**

Number of Members

5 members

Specific Composition Requirements or Guidelines

No more than 3 members may be present or former licensees.

Appointing Authority

Board of Trustees

Procedures for Appointment

Board of Trustees Policy Manual, Section 4.2

## Officers

Chair and vice-chair appointed by the Board of Trustees to serve one-year terms, with the possibility of reappointment

## Member Terms

4 Years

## Commission on Judicial Nominees Evaluation (JNE)

### **Charge**

*Assist the Governor in the judicial selection process and thereby promote a California judiciary of quality and integrity by providing independent, comprehensive, accurate, and fair evaluations of candidates for judicial appointment and nomination.*

(Government Code § 12011.5; State Bar Rules Title 7, Division 1)

### **Membership Composition, Appointment Process, and Terms**

#### Number of Members

At least 27 and no more than 38 members

#### Specific Composition Requirements or Guidelines

To the extent feasible, at least 80 percent of the members must be active, licensed attorneys in good standing and the balance public members. One of the licensed attorneys must be a former judge, preferably of an appellate court.

#### Appointing Authority

Board of Trustees

#### Procedures for Appointment

Board of Trustees Policy Manual, Section 4.2

## Officers

Chair and Vice-Chair appointed by the Board of Trustees for one-year service

## Member Terms

1 Year with eligibility for reappointment for a maximum of 3 years total.

## Committee of Bar Examiners (CBE)

### **Charge**

*Examine all applicants for admission to practice law; administer the requirements for admission to practice law; certify to the Supreme Court for admission those applicants who fulfill the requirements.*

*Inherent in the administration of the requirements of admission is the responsibility for determining the pre-legal and legal education eligibility of applicants and whether an applicant possesses the requisite good moral character to practice law. The committee also is empowered to accredit law schools and register unaccredited and correspondence law schools, in accordance with State Bar Rules, in California.*

(Bus. & Prof. Code § 6046 *et seq.*; California Rules of Court 9.4; State Bar Rules, Title 4)

### **Membership Composition, Appointment Process, and Terms**

#### Number of Members

19 examiners

#### Appointment and Composition Requirements or Guidelines

The California Supreme Court appoints 10 examiners, including 1 judge and 9 attorneys (one of whom must have been admitted to practice law within 3 years of their appointment). The Governor, the Senate and the Assembly each appoints 3 public members.

#### Appointing Authorities

California Supreme Court  
Governor

Senate  
Assembly

### Procedures for Appointment

The Supreme Court must make its appointments from a list of candidates nominated by the Board of Trustees of the State Bar pursuant to a procedure approved by the court.

### Officers

Chair and vice-chair appointed by the Board of Trustees to serve one-year terms, with the possibility of reappointment

### Member Terms

4 Years (except as specified in Bus. and Prof. Code § 6046.5)

## Committee on Professional Responsibility and Conduct (COPRAC)

### **Charge**

*Address matters involving professional responsibility to facilitate compliance by licensees with their ethical duties and address certain matters concerning mandatory fee arbitration.*

*The committee's work includes, but is not limited to: drafting advisory opinions on issues of professional responsibility based on hypothetical questions submitted to the committee or developed by the committee on its own initiative; drafting arbitration advisories providing guidance to fee arbitrators administering attorney-client fee disputes under the Mandatory Fee Arbitration Program; conducting studies and providing consultation and assistance to the Board on matters involving professional responsibility; and studying and recommending changes to the Rules of Professional Conduct. The committee sponsors educational and outreach programs, including an annual ethics symposium*

(Bus. & Prof. Code § 6200 – 6206; State Bar Rules Title 3, Division 4, Chapter 2)

### **Membership Composition, Appointment Process, and Terms**

#### Number of Members

12 members

Appointment and Composition Requirements or Guidelines

For leadership continuity, committee staff will generally nominate the committee member serving as Vice-Chair to serve as Chair in the committee year following service as Vice-Chair.

Appointing Authority

Board of Trustees

Procedures for Appointment

Board of Trustees Policy Manual, Section 4.2

Officers

Chair and Vice-Chair appointed by the Board of Trustees to serve one-year terms, with the possibility of reappointment.

Member Terms

4 Years

**Committee of State Bar Accredited and Registered Schools (CSBARS)**

**Charge**

*Advise the State Bar of California's Committee of Bar Examiners (CBE) on matters relating to the promulgation of new rules, guidelines, and amendments to the rules and guidelines for California-accredited Law Schools, and for Unaccredited Law Schools, as well as other issues related to legal education.*

**Membership Composition, Appointment Process, and Terms**

Number of Members

7 members

Appointment and Composition Requirements or Guidelines

Three members will be deans from accredited schools, two will be deans from registered, unaccredited schools, and two members selected by the Chair and Vice-Chair of CBE. One of the CBE appointees may be a non-voting consultant with expertise in accreditation issues.

Appointing Authority

Board of Trustees  
Committee of Bar Examiners

Procedures for Appointment

Board of Trustees Policy Manual, Section 4.2

Officers

Chair and vice-chair appointed by the Board of Trustees to serve one-year terms, with the possibility of reappointment.

Member Terms

4 Years

**Council on Access and Fairness (COAF)**

**Charge<sup>1</sup>**

*Assist and advise the Board of Trustees in defining and advancing the State Bar's diversity and inclusion strategies and goals.*

1. The charge of the Council on Access and Fairness was approved by the Programs Committee of the Board of Trustees on March 14, 2019.

*Study, recommend, and help devise curricula designed to educate California attorneys on diversity and inclusion principles.*

*Promote programs and strategies to improve diversity initiatives impacting the pipeline, particularly at California law schools, for the Bar Exam and within the legal profession.*

*Evaluate the state of diversity and inclusion in the profession annually.*

*Identify barriers to entry into, and retention and advancement in the legal profession, and propose solutions to address barriers.*

*Explore, promote, encourage, and partner in collaborative efforts to increase diversity and inclusion in the profession and in the judiciary.*

*Comment and advise, when requested by the Board of Trustees or the Executive Director, on barriers directly related to access opportunities within the profession for attorneys from diverse backgrounds.*

*When requested by the Board of Trustees, train subentities and other stakeholders on diversity and inclusion topics.*

*Serve as a representative of the State Bar, as requested by the Board of Trustees, on issues of diversity and inclusion.*

(Resolutions of the Board of Trustees: March 1982, July 1992, June 1993, March 1995, November 2000, January 2002, July 2002, November 2006, and September, 2018)

### **Membership Composition, Appointment Process, and Terms**

#### Number of Members

10 members

#### Specific Composition Requirements or Guidelines

None

#### Appointing Authority

Board of Trustees

#### Procedures for Appointment

Board of Trustees Policy Manual, Section 4.2

Officers

Chair and vice-chair appointed by the Board of Trustees to serve one-year terms, with the possibility of reappointment

Member Terms

4 Years

Lawyer Assistance Program Oversight Committee (LAPOC)

**Charge**

*Oversee the operation of the Lawyer Assistance Program as necessary to establish policies, practices and procedures to support the program goal of offering education and rehabilitative programs to attorneys, former attorneys, State Bar applicants and law students suffering from substance abuse and mental health disorders.*

(Bus. & Prof. Code § 6231 *et seq.*; State Bar Rules Title 3, Division 2, Chapter 5, Rule 3.241)

**Membership Composition, Appointment Process, and Terms**

Number of Members

12 members

Specific Composition Requirements or Guidelines

Six members appointed by the Board of Trustees including two who are licensed mental health professionals, one who is a physician, one member of the board of directors of a statewide nonprofit established for the purpose of assisting lawyers with alcohol or substance abuse problems, and two members who are attorneys, at least one of which is in recovery and has five-years of continuous sobriety.

Four members appointed by the Governor including two attorneys and two public members.

One member of the public appointed by the Speaker of the Assembly and one member of the public appointed by the Senate Committee on Rules.

Appointing Authority

Board of Trustees  
Governor  
Senate Committee on Rules  
Speaker of the Assembly

Procedures for Appointment

Board of Trustees Policy Manual, Section 4.2

Officers

Chair and vice-chair appointed by the Board of Trustees to serve one-year terms, with the possibility of reappointment

Member Terms

4 Years

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## Legal Services Trust Fund Commission (LSTFC)

### **Charge**

*Administer, in accordance with legal requirements and State Bar Rules, revenue from Interest on Lawyers' Trust Accounts and other funds remitted to the Legal Services Trust Fund Program of the State Bar including the Equal Access Fund from the Judicial Council pursuant to the California state budget. The Legal Services Trust Fund Commission (LSTFC) determines an applicant's eligibility for grants. The LSTFC monitors and evaluates a recipient's compliance with Trust Fund Requirements and grant terms. The LSTFC also reviews denial or termination of funding and complaints from any person or entity when a grant recipient fails to meet Trust Fund Requirements.*

(Rules of the State Bar, Title 3, Division 5, Chapter 2, Rule 3.661)

### **Membership Composition, Appointment Process, and Terms**

#### Number of Members

24 members

#### Specific Composition Requirements or Guidelines

Membership must be comprised of no more than 21 voting members and 3 nonvoting judges.

Of the 21 voting members 15 shall be attorneys and at least 6 shall be members of the public who have never been licensed by the State Bar or admitted to practice before any court in the United States. At least two members must be or

have been within five years of appointment "indigent persons" as defined at section 6213(d) of the Business and Professions Code.

The Chair of the Judicial Council will appoint 7 voting members, of which 5 will be attorney members and 2 will be public members, and 3 nonvoting judges, of which 1 will be an appellate justice.

The State Bar Board of Trustees will appoint 14 voting members, 10 of which shall be attorneys and 4 shall be public members. Two of the public members are required to be "indigent persons" as defined in Section 6213(d) of the Business and Professions Code. Historically, these positions have been appointed by the Board of Trustees.

No employee or independent contractor acting as a consultant to any agency which is a potential recipient of funds under the Legal Services Trust Fund Program shall be appointed to the commission. (State Bar Rule 3.662.)

#### Appointing Authority

Chair of Judicial Council  
Board of Trustees

#### Procedures for Appointment

Board of Trustees Policy Manual, Section 4.2

#### Officers

Chair and vice-chair appointed by the Board of Trustees to serve one-year terms, with the possibility of reappointment.

#### Member Terms

3 Years

Review Committee of the Commission on Judicial Nominees Evaluation (RJNE)

**Charge**

*Review requests from candidates who are seeking reconsideration of a "not qualified" rating by the Commission on Judicial Nominees Evaluation (JNE). The Review Committee of the Commission on Judicial Nominees Evaluation (RJNE) reviews the record from the JNE commission investigation of the candidate and focuses on possible violations of rules or procedures.*

(State Bar Rules Title 7, Article 6, Rule 7.66)

## **Membership Composition, Appointment Process, and Terms**

### Number of Members

5 members

### Specific Composition Requirements or Guidelines

RJNE must be made up of two members of the Board of Trustees – one attorney member, one public member – one past member of the JNE Commission, and two at-large members.

### Appointing Authority

Board of Trustees

### Procedures for Appointment

Board of Trustees Policy Manual, Section 4.2 except for two Trustees appointed by the incoming Board Chair at the beginning of the Board year.

### Officers

Chair

### Member Terms

4 years except for two Trustee members who serve one-year terms subject to reappointment by the incoming Board Chair at the beginning of the Board year.

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# APPENDIX F

## LIST OF AD HOC COMMITTEES



### COMMISSION FOR REVISION OF RULES OF PROFESSIONAL CONDUCT

The Commission for the Revision of Rules of Professional Conduct is responsible for the evaluation of the California Rules of Professional Conduct and considers changes in rules concerning attorneys' professional conduct. Members of this commission are appointed by the Board Chair. (*The Commission is Not Currently Active.*)

### TASK FORCE ON ACCESS THROUGH INNOVATION OF LEGAL SERVICES

The Task Force on Access Through Innovation of Legal Services is charged with identifying possible regulatory changes to enhance the delivery of, and access to, legal services through the use of technology, including artificial intelligence and online legal service delivery models.

A Task Force report setting forth recommendations will be submitted to the Board no later than March 31, 2020. Each Task Force recommendation should include an explanatory rationale that reflects a balance of the dual goals of public protection and increased access to justice.

In carrying out this assignment, the Task Force should do the following:

- Review the current consumer protection purposes of the prohibitions against unauthorized practice of law (UPL), as well as the impact of those prohibitions on access to legal services with the goal of identifying potential changes that might increase access while also protecting the public. In addition, assess the impact of the current definition of the practice of law on the use of artificial intelligence and other technology driven delivery systems, including online consumer self-help legal research and information services, matching services, document production and dispute resolution;
- Evaluate existing rules, statutes and ethics opinions on lawyer advertising and solicitation, partnerships with non-lawyers, fee splitting (including compensation for client referrals) and other relevant rules in light of their longstanding public protection function with the goal of articulating a recommendation on whether and how changes in these laws might improve public protection while also fostering innovation in, and expansion of, the delivery of legal services and law related services, especially in those areas of service where there is the greatest unmet need; and

- With a focus on preserving the client protection afforded by the legal profession’s core values of confidentiality, loyalty and independence of professional judgment, prepare a recommendation addressing the extent to which, if any, the State Bar should consider increasing access to legal services for individual consumers by implementing some form of entity regulation or other options for permitting non-lawyer ownership or investment in businesses engaged in the practice of law, including consideration of multidisciplinary practice models and alternative business structures.

### **MORAL CHARACTER WORKING GROUP**

The Moral Character Working Group is tasked with evaluating the standards applied to moral character determinations. The purpose of this review and evaluation is to analyze our existing methodology, and develop clear and appropriate guidelines for determining whether an applicant possesses the requisite moral character. The end product of this review will be to ensure greater uniformity and consistency in decision-making, provide transparency into the moral character evaluation process, and ensure the State Bar provides appropriate consideration for rehabilitative efforts undertaken by applicants.

The Working Group will consist of seven members and include members of the Committee of Bar Examiners and deans or designees from each type of law school in California.



# APPENDIX G

## **STRATEGIC PLAN**

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# The State Bar *of California*

## **2017–2022 Strategic Plan**

Updated November 2019



## MISSION STATEMENT

The State Bar of California’s mission is to protect the public and includes the primary functions of licensing, regulation and discipline of attorneys; the advancement of the ethical and competent practice of law; and support of efforts for greater access to, and inclusion in, the legal system.

## GOAL

1

Successfully transition to the “new State Bar”—an agency focused on public protection, regulating the legal profession, and promoting access to justice.

### OBJECTIVES

- a. Determine whether additional State Bar functional areas will transition to the Sections entity, other organizations, or to new standalone entities and develop an action plan for those transitions.
- b. Implement and pursue governance, composition, and operations reforms needed to ensure that the Board’s structure and processes optimally align with the State Bar’s public protection mission.
- c. No later than September 30, 2018, determine the appropriate role of, and Board responsibility for, State Bar Standing Committees, Special Committees, Boards, and Commissions in the new State Bar.

**Ensure a timely, fair, and appropriately resourced admissions, discipline, and regulatory system for the more than 250,000 lawyers licensed in California.**

### **ATTORNEY DISCIPLINE OBJECTIVES**

- a. For greater transparency, accountability, efficiency, and access, develop and deploy a new case management system for the Office of Chief Trial Counsel, State Bar Court, and the Office of Probation by October 31, 2018.
- b. Develop and implement transparent and accurate reporting and tracking of the health and efficacy of the discipline system, to include: (a) completion of a workload study for OCTC and SBC; (b) identification of staffing and resource needs based on the results of that study; and (c) development of new metrics for measuring the effectiveness of the discipline system including any needed revisions to the statutory backlog metric.
- c. Begin auditing attorney compliance with MCLE requirements in the most cost effective and efficient manner no later than December 31, 2020.
- d. Support adequate funding of the Client Security Fund.
- e. No later than December 31, 2020, evaluate attorney self-assessment models and determine which model will be implemented in California.
- f. No later than July 1, 2021, create a fully articulated preventative education approach to include a self-assessment component as well as client trust accounting modules which may be mandatory for some attorneys.
- g. No later than January 1, 2019, require all attorneys to report firm size and practice type to the State Bar and to maintain and update that information.

### **UNAUTHORIZED PRACTICE OF LAW OBJECTIVES**

- h. Monitor improvements in the response to complaints regarding the unauthorized practice of law through tracking and reporting on complaints received, investigation timelines, civil filings, and law enforcement referrals.
- i. Partner with law enforcement agencies to create a coordinated regional response to the unauthorized practice of law.
- j. Identify funding sources, including grant or state funding, to support the Bar's UPL efforts.
- k. Use communications strategies to support UPL enforcement objectives.

### **ADMISSIONS OBJECTIVES**

- l. For greater transparency, accountability, efficiency, and access, develop and deploy a new case management system for the Office of Admissions by June 30, 2019.
- m. After the results of the February 2019 Bar Exam are published, evaluate the results of the two-day exam on pass rates and costs.
- n. No later than December 2019, conduct a California specific job analysis to determine the knowledge, skills, and abilities for entry level attorneys. Upon completion, conduct a new content validation study.
- o. No later than December 31, 2018, review special admissions rules to determine whether changes are needed to support the goal of increased access to legal services or for other reasons, and implement needed changes.

**Improve the fiscal and operational management of the State Bar, emphasizing integrity, transparency, accountability, and excellence.**

**EMPLOYEE ENGAGEMENT OBJECTIVES**

- a. Improve productivity through performance accountability, training, and professional development.
- b. Improve staff morale and career satisfaction through recognition of performance, career path development, transparent and collaborative communication, and recognition and encouragement of innovation, efficiencies, and money saving ideas.
- c. Conduct an annual employee engagement survey, evaluate changes from prior years, and implement an action plan to address areas needing improvement.
- d. No later than July 1, 2018, develop and implement a Communications Strategy Plan for timely and effective internal communication.

**FINANCIAL MANAGEMENT OBJECTIVES**

- e. No later than December 1, 2019, evaluate current collection efforts and determine what might be necessary to improve the Bar's ability to collect discipline and CSF costs.
- f. As part of the annual budget development process, determine, consistent with Business and Professions Code section 6140.9, whether there are excess funds in the LAP Fund which can be transferred to support the CSF.

**INFORMATION TECHNOLOGY OBJECTIVES**

- g. Implement a new Enterprise Resource Planning System (the Oracle Fusion suite of applications), beginning with the Human Capital Management module by the end of 2018 and continuing with the Finance and Procurement modules by the end of 2019.
- h. Implement a new Licensee Information Management System (LIMS), replacing AS400, by the end of 2021.
- i. Implement a phased upgrade to the Bar's Information Technology infrastructure (networks, servers, desktops, telecommunications and audio/visual), for enhanced capacity, functionality and security throughout 2018 and 2019.

**MANAGEMENT OF OTHER ASSETS OBJECTIVES**

- j. No later than November 30, 2018, develop goals and objectives for each functional area of the Bar and use those to develop organizational performance metrics.
- k. In conjunction with annual budgets, ensure maintenance and use of the Bar's Los Angeles and San Francisco buildings to maximize benefit to the Bar and the people of California.
- l. Pursue a two-year fee bill to ensure a balance between accountability and meaningful implementation of important reforms.

**Support access to legal services for low- and moderate-income Californians and promote policies and programs to eliminate bias and promote an inclusive environment in the legal system and for the public it serves, and strive to achieve a statewide attorney population that reflects the rich demographics of the state's population.**

#### ACCESS TO JUSTICE OBJECTIVES

- a. Support increased funding and enhanced outcome measures for Legal Services.
- b. Study and implement improved programmatic approaches to increasing access to justice.
- c. By December 31, 2018, review Lawyer Referral Services certification rules with a goal of increasing access to justice.
- d. Commencing in 2018 and concluding no later than March 31, 2020, study online legal service delivery models and determine if any regulatory changes are needed to better support and/or regulate the expansion of access through the use of technology in a manner that balances the dual goals of public protection and increased access to justice.
- e. No later than December 31, 2019, complete a California Justice Gap Study. The Justice Gap Study will be modeled on the 2017 Legal Services Corporation Justice Gap Study but will also include an evaluation of the costs of legal education in California and the impact of those costs on access to justice, as well as possible approaches to addressing the costs of legal education including loan forgiveness programs or other means.
- f. No later than December 31, 2020, explore options to increase access through licensing of paraprofessionals, limited license legal technicians, and other paraprofessionals.

#### DIVERSITY AND INCLUSION OBJECTIVES

- g. Work with the California Accredited Law Schools and registered schools to develop enhanced demographic reporting requirements by February 28, 2020.
- h. Identify means of supporting existing law school programs to improve retention by December 31, 2020.
- i. No later than March 31, 2020, identify ways that diversity and inclusion principles can be institutionalized in Bar exam development and grading analyses with final proposals, including any formal guidelines or rule proposals, to be submitted to the Board by December 31, 2020.
- j. Assuming positive results from the Productive Mindset Intervention, expand implementation by February 2020.
- k. Continue development and implementation of initiative to collect demographic data about licensed attorneys through all stages of their career through 2019.
- l. No later than December 31, 2019, analyze available data to identify the particular obstacles to diverse attorneys' entry into, retention, and advancement in the legal profession.
- m. By December 31, 2020, adopt revised rules to modify the Elimination of Bias MCLE requirements in a manner that considers the creation of sub-topics and expanding the number of hours of requirement and is consistent with the time lines adopted in Business and Professions Code section 6070.5.
- n. Develop and publish an annual report card on the state of the profession by January 31, 2020, and annually thereafter.
- o. Partner with the Judicial Council to complete the Judicial Diversity Toolkit.

Proactively inform and educate all stakeholders, but particularly the public, about the State Bar’s responsibilities, initiatives, and resources.

#### OBJECTIVES

- a. No later than July 1, 2018, develop and implement a Communication Strategy Plan for timely and effective communication about public protection goals, objectives, and accomplishments to external audiences including the public, oversight bodies, regulated parties, and other bars.
- b. Develop metrics to measure both the quality and effectiveness of the Bar’s communication and stakeholder engagement strategies and use those metrics to inform modifications to strategy.
- c. Maintain and enhance relationships with courts and other regulatory and enforcement agencies that share a mission of public protection.
- d. Improve transparency, accountability, accessibility, and governance by increasing the availability of meeting materials and public access to meetings and records and reporting these efforts to stakeholders and the general public.

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# APPENDIX H ETHICS AND CONFLICTS OF INTEREST REFERENCES



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## **Relevant Statutory Provisions**

### **Relevant Business & Professions Code Sections**

#### § 6035. Definitions

Unless the contrary is stated or clearly appears from the context, the definitions set forth in Chapter 2 (commencing with Section 82000) of Title 9 of the Government Code shall govern the interpretation of this article.

#### § 6036. Disqualification of member for financial or personal interest; exceptions; disclosure

(a) Any member of the board of trustees shall disqualify himself or herself from making, participating in the making of, or attempting to influence any decisions of the board or a committee of the board in which he or she has a financial interest, as that term is defined in Section 87103 of the Government Code, that it is reasonably foreseeable may be affected materially by the decision.

(b) Any member of the board of trustees shall likewise disqualify himself or herself when there exists a personal nonfinancial interest that will prevent the member from applying disinterested skill and undivided loyalty to the State Bar in making or participating in the making of decisions.

(c) Notwithstanding subdivisions (a) and (b), no member shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the action or decision to be made. The fact that a member's vote is needed to break a tie does not make his or her participation legally required for the purposes of this section.

(d) A member required to disqualify himself or herself because of a conflict of interest shall (1) immediately disclose the interest, (2) withdraw from any participation in the matter, (3) refrain from attempting to influence another member, and (4) refrain from voting. It is sufficient for the purpose of this section that the member indicate only that he or she has a disqualifying financial or personal interest.

(e) For purposes of this article and unless otherwise specified, "member" means any appointed or elected member of the board of trustees.

#### § 6037. Violations by members; validity of action or decision of board; misdemeanor; termination of member; civil and criminal penalties

No action or decision of the board or committee of the board shall be invalid because of the participation therein by a member or members in violation of Section 6036. However, any

member who intentionally violates the provisions of subdivision (a) of Section 6036 is guilty of a misdemeanor, punishable by imprisonment in the county jail not exceeding five days, or by a fine not exceeding one thousand dollars (\$1,000), or by both, and, if the member is an attorney member of the board, a certified copy of the record of conviction shall be transmitted to the Supreme Court for disposition as provided in Sections 6101 and 6102. Upon entry of final judgment of conviction, the member's term of office on the board of trustees, and duties and authority incidental thereto, shall automatically terminate. Any member who intentionally violates the provisions of subdivision (b) of Section 6036 shall be liable for a civil penalty not to exceed five hundred dollars (\$500) for each violation, which shall be assessed and recovered in a civil action in a court of competent jurisdiction brought in the name of the state only by a district attorney of a county in which the member resides or maintains offices and the penalty collected shall be paid to the treasurer of that county.

§ 6038. Governmental decisions of specified state agencies; applicability of article to bar members thereof

Attorney members of the Judicial Council, members of the Commission on Judicial Performance who are not judges, and employees designated in the Conflict of Interest Code of the State Bar of California are subject to provisions of this article with respect to making, participating in the making, or attempting to influence, governmental decisions of their respective state agencies other than decisions of a judicial or quasi-judicial nature.

#### Relevant Government Code Sections

§ 1090. Conflicts of interest contracts, sales and purchases

(a) Members of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Nor shall state, county, district, judicial district, and city officers or employees be purchasers at any sale or vendors at any purchase made by them in their official capacity.

(b) An individual shall not aid or abet a Member of the Legislature or a state, county, district, judicial district, or city officer or employee in violating subdivision (a).

(c) As used in this article, "district" means any agency of the state formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries.

§ 1091. Remote interest of officer or member

(a) An officer shall not be deemed to be interested in a contract entered into by a body or board of which the officer is a member within the meaning of this article if the officer has only a remote interest in the contract and if the fact of that interest is disclosed to the body or board of which the officer is a member and noted in its official records, and thereafter the body or board authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the officer or member with the remote interest.

(b) As used in this article, "remote interest" means any of the following:

(1) That of an officer or employee of a nonprofit entity exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)), pursuant to Section 501(c)(5) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(5)), or a nonprofit corporation, except as provided in paragraph (8) of subdivision (a) of Section 1091.5.

(2) That of an employee or agent of the contracting party, if the contracting party has 10 or more other employees and if the officer was an employee or agent of that contracting party for at least three years prior to the officer initially accepting his or her office and the officer owns less than 3 percent of the shares of stock of the contracting party; and the employee or agent is not an officer or director of the contracting party and did not directly participate in formulating the bid of the contracting party.

For purposes of this paragraph, time of employment with the contracting party by the officer shall be counted in computing the three-year period specified in this paragraph even though the contracting party has been converted from one form of business organization to a different form of business organization within three years of the initial taking of office by the officer. Time of employment in that case shall be counted only if, after the transfer or change in organization, the real or ultimate ownership of the contracting party is the same or substantially similar to that which existed before the transfer or change in organization. For purposes of this paragraph, stockholders, bondholders, partners, or other persons holding an interest in the contracting party are regarded as having the "real or ultimate ownership" of the contracting party.

(3) That of an employee or agent of the contracting party, if all of the following conditions are met:

(A) The agency of which the person is an officer is a local public agency located in a county with a population of less than 4,000,000.

(B) The contract is competitively bid and is not for personal services.

(C) The employee or agent is not in a primary management capacity with the contracting party, is not an officer or director of the contracting party, and holds no ownership interest in the contracting party.

(D) The contracting party has 10 or more other employees.

(E) The employee or agent did not directly participate in formulating the bid of the contracting party.

(F) The contracting party is the lowest responsible bidder.

(4) That of a parent in the earnings of his or her minor child for personal services.

(5) That of a landlord or tenant of the contracting party.

(6) That of an attorney of the contracting party or that of an owner, officer, employee, or agent of a firm that renders, or has rendered, service to the contracting party in the capacity of stockbroker, insurance agent, insurance broker, real estate agent, or real estate broker, if these individuals have not received and will not receive remuneration, consideration, or a commission as a result of the contract and if these individuals have an ownership interest of 10 percent or more in the law practice or firm, stock brokerage firm, insurance firm, or real estate firm.

(7) That of a member of a nonprofit corporation formed under the Food and Agricultural Code or a nonprofit corporation formed under the Corporations Code for the sole purpose of engaging in the merchandising of agricultural products or the supplying of water.

(8) That of a supplier of goods or services when those goods or services have been supplied to the contracting party by the officer for at least five years prior to his or her election or appointment to office.

(9) That of a person subject to the provisions of Section 1090 in any contract or agreement entered into pursuant to the provisions of the California Land Conservation Act of 1965.

(10) Except as provided in subdivision (b) of Section 1091.5, that of a director of, or a person having an ownership interest of, 10 percent or more in a bank, bank holding company, or savings and loan association with which a party to the contract has a relationship of borrower or depositor, debtor or creditor.

(11) That of an engineer, geologist, architect, or planner employed by a consulting engineering, architectural, or planning firm. This paragraph applies only to an employee of a consulting firm who does not serve in a primary management capacity, and does not apply to an officer or director of a consulting firm.

(12) That of an elected officer otherwise subject to Section 1090, in any housing assistance payment contract entered into pursuant to Section 8 of the United States Housing Act of 1937 (42 U.S.C. Sec. 1437f) as amended, provided that the housing assistance payment contract was in existence before Section 1090 became applicable to the officer and will be renewed or extended only as to the existing tenant, or, in a jurisdiction in which the rental vacancy rate is less than 5 percent, as to new tenants in a unit previously under a Section 8 contract. This section applies to any person who became a public official on or after November 1, 1986.

(13) That of a person receiving salary, per diem, or reimbursement for expenses from a government entity.

(14) That of a person owning less than 3 percent of the shares of a contracting party that is a for-profit corporation, provided that the ownership of the shares derived from the person's employment with that corporation.

(15) That of a party to litigation involving the body or board of which the officer is a member in connection with an agreement in which all of the following apply:

(A) The agreement is entered into as part of a settlement of litigation in which the body or board is represented by legal counsel.

(B) After a review of the merits of the agreement and other relevant facts and circumstances, a court of competent jurisdiction finds that the agreement serves the public interest.

(C) The interested member has recused himself or herself from all participation, direct or indirect, in the making of the agreement on behalf of the body or board.

(16) That of a person who is an officer or employee of an investor-owned utility that is regulated by the Public Utilities Commission with respect to a contract between the investor-owned utility and a state, county, district, judicial district, or city body or board of which the person is a member, if the contract requires

the investor-owned utility to provide energy efficiency rebates or other type of program to encourage energy efficiency that benefits the public when all of the following apply:

(A) The contract is funded by utility consumers pursuant to regulations of the Public Utilities Commission.

(B) The contract provides no individual benefit to the person that is not also provided to the public, and the investor-owned utility receives no direct financial profit from the contract.

(C) The person has recused himself or herself from all participation in making the contract on behalf of the state, county, district, judicial district, or city body or board of which he or she is a member.

(D) The contract implements a program authorized by the Public Utilities Commission.

(17) That of an owner or partner of a firm serving as an appointed member of an unelected board or commission of the contracting agency if the owner or partner recuses himself or herself from providing any advice to the contracting agency regarding the contract between the firm and the contracting agency and from all participation in reviewing a project that results from that contract.

(c) This section is not applicable to any officer interested in a contract who influences or attempts to influence another member of the body or board of which he or she is a member to enter into the contract.

(d) The willful failure of an officer to disclose the fact of his or her interest in a contract pursuant to this section is punishable as provided in Section 1097. That violation does not void the contract unless the contracting party had knowledge of the fact of the remote interest of the officer at the time the contract was executed.

#### § 1091.5. Interests not constituting an interest in a contract

(a) An officer or employee shall not be deemed to be interested in a contract if his or her interest is any of the following:

(1) The ownership of less than 3 percent of the shares of a corporation for profit, provided that the total annual income to him or her from dividends, including the value of stock dividends, from the corporation does not exceed 5 percent of

his or her total annual income, and any other payments made to him or her by the corporation do not exceed 5 percent of his or her total annual income.

(2) That of an officer in being reimbursed for his or her actual and necessary expenses incurred in the performance of official duties.

(3) That of a recipient of public services generally provided by the public body or board of which he or she is a member, on the same terms and conditions as if he or she were not a member of the body or board.

(4) That of a landlord or tenant of the contracting party if the contracting party is the federal government or any federal department or agency, this state or an adjoining state, any department or agency of this state or an adjoining state, any county or city of this state or an adjoining state, or any public corporation or special, judicial, or other public district of this state or an adjoining state unless the subject matter of the contract is the property in which the officer or employee has the interest as landlord or tenant in which event his or her interest shall be deemed a remote interest within the meaning of, and subject to, the provisions of Section 1091.

(5) That of a tenant in a public housing authority created pursuant to Part 2 (commencing with Section 34200) of Division 24 of the Health and Safety Code in which he or she serves as a member of the board of commissioners of the authority or of a community development commission created pursuant to Part 1.7 (commencing with Section 34100) of Division 24 of the Health and Safety Code.

(6) That of a spouse of an officer or employee of a public agency in his or her spouse's employment or officeholding if his or her spouse's employment or officeholding has existed for at least one year prior to his or her election or appointment.

(7) That of a nonsalaried member of a nonprofit corporation, provided that this interest is disclosed to the body or board at the time of the first consideration of the contract, and provided further that this interest is noted in its official records.

(8) That of a noncompensated officer of a nonprofit, tax-exempt corporation, which, as one of its primary purposes, supports the functions of the body or board or to which the body or board has a legal obligation to give particular

consideration, and provided further that this interest is noted in its official records.

For purposes of this paragraph, an officer is “noncompensated” even though he or she receives reimbursement from the nonprofit, tax-exempt corporation for necessary travel and other actual expenses incurred in performing the duties of his or her office.

(9) That of a person receiving salary, per diem, or reimbursement for expenses from a government entity, unless the contract directly involves the department of the government entity that employs the officer or employee, provided that the interest is disclosed to the body or board at the time of consideration of the contract, and provided further that the interest is noted in its official record.

(10) That of an attorney of the contracting party or that of an owner, officer, employee, or agent of a firm which renders, or has rendered, service to the contracting party in the capacity of stockbroker, insurance agent, insurance broker, real estate agent, or real estate broker, if these individuals have not received and will not receive remuneration, consideration, or a commission as a result of the contract and if these individuals have an ownership interest of less than 10 percent in the law practice or firm, stock brokerage firm, insurance firm, or real estate firm.

(11) Except as provided in subdivision (b), that of an officer or employee of, or a person having less than a 10-percent ownership interest in, a bank, bank holding company, or savings and loan association with which a party to the contract has a relationship of borrower, depositor, debtor, or creditor.

(12) That of (A) a bona fide nonprofit, tax-exempt corporation having among its primary purposes the conservation, preservation, or restoration of park and natural lands or historical resources for public benefit, which corporation enters into an agreement with a public agency to provide services related to park and natural lands or historical resources and which services are found by the public agency, prior to entering into the agreement or as part of the agreement, to be necessary to the public interest to plan for, acquire, protect, conserve, improve, or restore park and natural lands or historical resources for public purposes and (B) any officer, director, or employee acting pursuant to the agreement on behalf of the nonprofit corporation. For purposes of this paragraph, “agreement” includes contracts and grants, and “park,” “natural lands,” and “historical resources” shall have the meanings set forth in subdivisions (d), (g), and (i) of

Section 5902 of the Public Resources Code. Services to be provided to the public agency may include those studies and related services, acquisitions of property and property interests, and any activities related to those studies and acquisitions necessary for the conservation, preservation, improvement, or restoration of park and natural lands or historical resources.

(13) That of an officer, employee, or member of the Board of Directors of the California Housing Finance Agency with respect to a loan product or programs if the officer, employee, or member participated in the planning, discussions, development, or approval of the loan product or program and both of the following two conditions exist:

(A) The loan product or program is or may be originated by any lender approved by the agency.

(B) The loan product or program is generally available to qualifying borrowers on terms and conditions that are substantially the same for all qualifying borrowers at the time the loan is made.

(14) That of a party to a contract for public services entered into by a special district that requires a person to be a landowner or a representative of a landowner to serve on the board of which the officer or employee is a member, on the same terms and conditions as if he or she were not a member of the body or board. For purposes of this paragraph, "public services" includes the powers and purposes generally provided pursuant to provisions of the Water Code relating to irrigation districts, California water districts, water storage districts, or reclamation districts.

(b) An officer or employee shall not be deemed to be interested in a contract made pursuant to competitive bidding under a procedure established by law if his or her sole interest is that of an officer, director, or employee of a bank or savings and loan association with which a party to the contract has the relationship of borrower or depositor, debtor or creditor.

#### § 1092. Avoidance of contracts; limitations period

(a) Every contract made in violation of any of the provisions of Section 1090 may be avoided at the instance of any party except the officer interested therein. No such contract may be avoided because of the interest of an officer therein unless the contract is made in the official capacity of the officer, or by a board or body of which he or she is a member.

(b) An action under this section shall be commenced within four years after the plaintiff has discovered, or in the exercise of reasonable care should have discovered, a violation described in subdivision (a).

§ 87103. Financial interest in decision by public official

A public official has a financial interest in a decision within the meaning of Section 87100 if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, a member of his or her immediate family, or on any of the following:

(a) Any business entity in which the public official has a direct or indirect investment worth two thousand dollars (\$2,000) or more.

(b) Any real property in which the public official has a direct or indirect interest worth two thousand dollars (\$2,000) or more.

(c) Any source of income, except gifts or loans by a commercial lending institution made in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided or promised to, received by, the public official within 12 months prior to the time when the decision is made.

(d) Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management.

(e) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the public official within 12 months prior to the time when the decision is made. The amount of the value of gifts specified by this subdivision shall be adjusted biennially by the commission to equal the same amount determined by the commission pursuant to subdivision (f) of Section 89503.

For purposes of this section, indirect investment or interest means any investment or interest owned by the spouse or dependent child of a public official, by an agent on behalf of a public official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or greater.

§ 87206. Investment or interest in real property; statement; contents

If an investment or an interest in real property is required to be disclosed under this article, the statement shall contain:

- (a) A statement of the nature of the investment or interest.
- (b) The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged.
- (c) The address or other precise location of the real property.
- (d) A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000) but does not exceed ten thousand dollars (\$10,000), whether it exceeds ten thousand dollars (\$10,000) but does not exceed one hundred thousand dollars (\$100,000), whether it exceeds one hundred thousand dollars (\$100,000) but does not exceed one million dollars (\$1,000,000), or whether it exceeds one million dollars (\$1,000,000).
- (e) In the case of a statement filed under Sections 87203 or 87204, if the investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the date of acquisition or disposal.
- (f) For purposes of disclosure under this article, "interest in real property" does not include the principal residence of the filer or any other property which the filer utilizes exclusively as the personal residence of the filer.

§ 87207. Income; statement; contents

- (a) If income is required to be reported under this article, the statement shall contain, except as provided in subdivision (b):
  - (1) The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source.
  - (2) A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was at least five hundred dollars (\$500) but did not exceed one thousand dollars (\$1,000), whether it was in excess of one thousand dollars (\$1,000) but was not greater than ten thousand dollars (\$10,000), whether it was greater than ten thousand

dollars (\$10,000) but not greater than one hundred thousand dollars (\$100,000), or whether it was greater than one hundred thousand dollars (\$100,000).

(3) A description of the consideration, if any, for which the income was received.

(4) In the case of a gift, the amount and the date on which the gift was received, and the travel destination for purposes of a gift that is a travel payment, advance, or reimbursement.

(5) In the case of a loan, the annual interest rate, the security, if any, given for the loan, and the term of the loan.

(b) If the filer's pro rata share of income to a business entity, including income to a sole proprietorship, is required to be reported under this article, the statement shall contain:

(1) The name, address, and a general description of the business activity of the business entity.

(2) The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from that person was equal to or greater than ten thousand dollars (\$10,000) during a calendar year.

(c) If a payment, including an advance or reimbursement, for travel is required to be reported pursuant to this section, it may be reported on a separate travel reimbursement schedule which shall be included in the filer's statement of economic interests. A filer who chooses not to use the travel schedule shall disclose payments for travel as a gift, unless it is clear from all surrounding circumstances that the services provided were equal to or greater in value than the payments for the travel, in which case the travel may be reported as income.

## **Conflict of Interest Code for the Board of Trustees of The State Bar of California**

### **Section 1      Definitions**

The definitions set forth in Government Code section 82000 *et seq.* are incorporated by reference in this code.

(Source: Board of Governors' Resolution April 1986, adopted by the Supreme Court, effective June 30, 1986.)

## Section 2      Enumeration of Positions Subject to This Code

All members of the Board of Trustees are subject to this code.

(Source: Board of Governors' Resolution April 1986, adopted by the Supreme Court, effective June 30, 1986; Bus. and Prof. Code § 6010, amended January 1, 2012.)

## Section 3      Reportable Financial Interests

A member shall disclose an investment, interest in real property, and income as required by Government Code sections 87206 and 87207 if during a reporting period the Board of Trustees has made a decision that materially affects the investment, interest in real property, or income. Disclosures required by this code are in addition to disclosures required by Business and Professions Code section 6036.

(Source: Board of Governors' Resolution April 1986, adopted by the Supreme Court, effective June 30, 1986; Bus. and Prof. Code § 6010, amended January 1, 2012.)

## Section 4      Disclosure Statements: Contents, Time for Filing, and Reporting Periods

Disclosures shall be made on forms prescribed by the Fair Political Practices Commission. Contents, time for filing, and reporting periods shall be as follows:

(a) Initial Statements: Each member who is incumbent on the date this code first becomes effective shall, within thirty (30) days after that date, file a statement identifying the member.

(b) Assuming Office Statements: Each person who becomes a member of the board after this code becomes effective shall, within thirty (30) days after taking the oath of office, file a statement identifying the member.

(c) Annual Statements: Each member shall by March 1 file an annual statement disclosing information required by section 3 of this code. The period covered by the annual statement shall be the prior calendar year or that portion of the prior calendar year during which the person making the disclosure was a member of the Board of Trustees.

(d) Leaving Office Statements: After leaving office, each former board member shall, within thirty (30) days after the date of leaving office, file a statement disclosing information required by section 3 of this code for the period beginning the day after the closing date of the last statement filed and the date of leaving office.

(Source: Board of Governors' Resolution April 1986, adopted by the Supreme Court, effective June 30, 1986; Bus. and Prof. Code § 6010, amended January 1, 2012.)

#### Section 5      Place of Filing Statements

Disclosure statements shall be filed with the Secretary of the State Bar. The secretary shall make and retain a copy of each statement and forward the originals to the Clerk of the Supreme Court within five days after the filing deadline or within five days after receipt in the case of statements filed late.

(Source: Board of Governors' Resolution April 1986, adopted by the Supreme Court, effective June 30, 1986.)

#### Section 6      Assistance to Members

As provided by Government Code section 83114, members may request advice and assistance from the Fair Political Practices Commission with respect to their duties under this code.

(Source: Board of Governors' Resolution April 1986, adopted by the Supreme Court, effective June 30, 1986.)

#### Section 7      Privileged Information Withheld From a Statement of Economic Interests

If a member of the Judicial Council, Commission on Judicial Performance, or the Board of Trustees of the State Bar of California believes that disclosure under Government Code section 87207(b)(2) of the name of a person who paid fees or made payments to a business entity would violate a legally recognized privilege under California law, the member may assert the privilege as follows:

- (a) The member shall not report in the disclosure statement the information asserted to be privileged.
- (b) The member shall file with the disclosure statement a separate statement under penalty of perjury that (a) advises the filing officer that a reportable source of income has not been reported, (b) asserts the applicable privilege, (c) states the legal basis for the assertion, and (d) states as specifically as possible without defeating the privilege facts that demonstrate why the privilege is applicable.
- (c) The Supreme Court shall designate one or more persons who are not members of the court to act as the code-reviewing body solely to determine if the privilege is applicable. The designated code-reviewing body may request additional information from the member and consider additional evidence in camera. If the designated code-reviewing body determines that disclosure is required, the member shall disclose the unreported

information within fifteen (15) days after the Clerk of the Supreme Court mails notice of the determination.

(Source: The Supreme Court as code-reviewing body under Government Code section 82011(e) adopted the above procedure effective June 30, 1986; Bus. and Prof. Code § 6010, amended January 1, 2012.)

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# APPENDIX I COMMONLY USED STATE BAR ACRONYMS



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<b>Acronym</b>	<b>Meaning</b>
ADA	Americans with Disabilities Act
ABA	American Bar Association
ACTC	Assistant Chief Trial Counsel
ADP	Alternative Discipline Program
ADR	Annual Discipline Report
AENC	Applicant Evaluation and Nominations Committee
AIMS	Admissions Information Management System
ALD	Agreement in Lieu of Discipline
AJUD	Assembly Judiciary Committee
AOR	Address on Record
ARCR	Attorney Regulation and Consumer Resources
ASL	American Sign Language
ATILS	Task Force on Access Through Innovation of Legal Services
BBC	Bench-Bar Coalition
BOT	Board of Trustees
CAAL	California Academy of Appellate Lawyers
CAPA	California Attorney Practice Analysis
CBE	Committee of Bar Examiners
CBLS	California Board of Legal Specialization
CBX	California Bar Exam
CDAA	California District Attorneys Association
CEB	Continuing Education of the Bar
CJP	Commission on Judicial Performance
CLA	California Lawyers Association
CLE	Continuing Legal Education
CMS	Case Management System
COAF	Council on Access and Fairness
COPRAC	Committee on Professional Responsibility and Conduct
CPRA	California Public Records Act
CSA	California State Auditor
CSBARS	Committee of State Bar Accredited and Registered Law Schools
CSF	Client Security Fund
CSFC	Client Security Fund Commission
CTC	Chief Trial Counsel
CW	Complaining Witness
DA	District Attorney
(Decd.)	Deceased (in parenthese, after person's name)
DOJ	Department of Justice
ED	Executive Director
ENEC	Early Neutral Evaluation Conference
FAQ	Frequently Asked Question

<b>Acronym</b>	<b>Meaning</b>
FBI	Federal Bureau of Investigation
FP	Fingerprint
FYLSX	First Year Law Students' Exam
GC	General Counsel
GIPITF	Governance in the Public Interest Task Force
HR	Human Resources
IOLTA	Interest on Lawyer Trust Account
IT	Information Technology
JC	Judicial Council
JD	Juris Doctor
JNE	Judicial Nominees Evaluation Commission
LAO	Legislative Analyst's Office
LAP	Lawyer Assistance Program
LAPOC	Lawyer Assistance Program Oversight Committee
LC	Law Corporation
LEP	Limited English Proficiency
LLC	Limited Liability Company
LLP	Limited Liability Partnership
LSC	Law School Council
LSTFC	Legal Services Trust Fund Commission
LRS	Lawyer Referral Service
MAAD	Mission Advancement & Accountability Division
MCLE	Minimum Continuing Legal Education
MCWG	Moral Character Working Group
MJP	Multijurisdictional Practice
MOU	Memorandum of Understanding
NA/UPL	Nonattorney/Unauthorized Practice of Law
NC	Noncompliant
OA&I	Office of Access & Inclusion
OCTC	Office of Chief Trial Counsel
ODY	Odyssey Case Management System
OGC	Office of the General Counsel
OPC	Office of Professional Competence
OPSCP	Office of Professional Support and Client Protection
ORIA	Office of Research & Institutional Accountability
PERB	Public Employment Relations Board
PLI	Practicing Law Institute
PSR	Public Service Representative
RAC	Advisory Committee on California Accredited Law School Rules
RAD	Regulation and Discipline Committee
RADC	Reportable Action Discipline Case
RFI	Request for Information

<b>Acronym</b>	<b>Meaning</b>
RFP	Request for Proposal
RFQ	Request for Qualifications or Request for Quote
RJNE	Review Committee for Judicial Nominees Evaluation Commission
SBC	State Bar Court
SBI	State Bar Initiated Discipline Case
SBN	State Bar Number
SCSE	Strategic Communications & Stakeholder Engagement
SDTC	Special Deputy Chief Trial Counsel
SJUD	Senate Judiciary Committee
SLAPP	Strategic Lawsuit Against Public Participation
SME	Subject-Matter Expert
SUSRS	Statewide Uniform Statistical Reporting System
UPL	Unauthorized Practice of Law
VOIP	Voice Over Internet Protocol
VRI	Video Remote Interpreting (for American Sign Language)

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