

Attachment B

State Bar Rules, Editorial Revisions (MAR 111)

(in legislative style with underlinings and strikeouts and footnote citations in brackets, subject to approval by the California Supreme Court)

Rule 3.158

(A) Each law corporation must provide the State Bar with proof of security for claims for errors and omissions of the corporation or any person who practices law on behalf of the corporation, on its behalf as an employee or otherwise. The law corporation must provide proof of security with its Application to Register as a Law Corporation and provide new proof of security when that last provided is no longer current. Proof of security must be provided as indicated below.

(1) All law corporations, except as otherwise provided in this rule, must provide as a Law Corporation Guarantee providing that the shareholders jointly and severally agree to pay all claims established against the law corporation for errors and omissions arising out of the rendering of professional services. The guarantee must name each shareholder and be executed by each. [footnote 1 cites Business & Professions Code § 6171(b)]

(2) A nonprofit public benefit corporation [footnote 2 cites Corporations Code § 13406(b)] must provide a certificate of annual insurance.

(3) Law corporations incorporated and registered with the State Bar before October 27, 1971, and that have elected to provide security by insurance, must provide a certificate of insurance.

Rule 3.159

A law corporation may by resolution request that the State Bar terminate its registration. The date of termination will be the date of the resolution, a later date requested by the law corporation, or an earlier date at the discretion of the State Bar.

Rule 3.170

Under California law, a limited liability partnership that provides professional legal services is not entitled to limitation of liability for acts, errors, or omissions arising out of the rendering of such services unless the partnership has a currently effective certificate of registration issued by the State Bar. [footnote cites Corporations Code § 16306(f).] These rules apply to California limited liability partnerships issued a certificate of registration by the State Bar in accordance with these rules. [footnote cites Business and Professions Code sections 6174-6174.5] These rules refer to such certified partnerships as “limited liability partnerships.”

Rule 3.172

(A) To apply to be certified as a limited liability partnership an applicant must

(2) submit on a separate State Bar form a statement that the limited liability partnership has complied with an security requirement prescribed by statute [footnote cites Business and Professions Code section 6174.5] and these rules;.

Rule 3.179

(C) The State Bar may terminate the certification of a limited liability partnership for failure to comply with these rules or applicable law. Except as this rule provides otherwise, termination is effective sixty days after the State issues a notice to the limited liability partnership stating the grounds for the termination. The partnership may request Supreme Court review of any termination. [footnote cites Rule of Court 9.13(d). ~~And see Business & Professions Code § 6170.~~]