

ATTACHMENT A

Proposed amendments to the State Bar rules regarding law corporations

1. Title 3, Division 2, Chapter 3, Rule 3.156

Rule 3.156 - Annual renewal²⁰

- (A) A law corporation must annually renew its authorization to practice law by submitting an Annual Renewal with the fee set forth in the Schedule of Charges and Deadlines. The form must report any changes to the information last provided to the State Bar in an Annual Renewal, a special report, or a Law Corporation Guarantee. If the information required for the guarantee has changed, the renewal must also include a current guarantee executed by all shareholders. The deadline for submission of the Annual Renewal and the amount of the fee are set forth in the Schedule of Charges and Deadlines.
- (B) A law corporation that fails to submit a complete Annual Renewal and fee ~~is~~ will be suspended sixty days following written notice of delinquency and ~~is not~~ will not be entitled to practice law. It may be reinstated upon submission within one year of the renewal fee, and any penalty. If the suspension lasts more than one year, the registration of the law corporation is involuntarily terminated.
- (C) This rule does not apply to a qualified legal services project or qualified support center incorporated as a nonprofit public benefit corporation.

²⁰Business & Professions Code §§ 6161.1, 6163.

2. Title 3, Division 2, Chapter 3, Rule 3.160

Rule 3.160 - Involuntary termination of registration

~~(A) A law corporation that fails to submit a complete Annual Renewal and fee is suspended and is not entitled to practice.~~

~~(B-A)~~ The State Bar may terminate the certification of a law corporation for failure to comply with these rules or applicable law. ~~Termination is effective sixty days after it has issued a~~ after providing notice to the law corporation stating the grounds for the termination and an opportunity for a hearing.³⁰ The notice will provide a warning that termination will be effective sixty days after the notice is provided if the law corporation fails to respond. If the law corporation fails to respond, termination is effective sixty days after the State Bar has provided notice under this rule. The law corporation may request Supreme Court review of ~~the~~ a termination.³¹

(B) This rule does not apply to termination resulting from

(1) the death of a sole shareholder; or

(2) failure to submit a complete Annual Renewal and fee

³⁰ Business & Professions Code § 6169.

³¹ Rule of Court 9.13(d). And see Business & Professions Code § 6170.