

# **OPEN SESSION AGENDA ITEM**

## **701 NOVEMBER 2018**

**DATE:** November 16, 2018

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

**FROM:** Brady R. Dewar, Assistant General Counsel, Office of General Counsel

**SUBJECT:** Approval of Contract for Best, Best and Krieger LLP Of Counsel Gary Schons to Serve as Special Deputy Trial Counsel Administrator Pursuant to State Bar Rule 2201

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### **EXECUTIVE SUMMARY**

The General Counsel ("GC") selected Gary W. Schons, Of Counsel with the law firm of Best Best & Krieger LLP ("BBK"), to serve as Special Deputy Trial Counsel Administrator ("SDTCA"), effective January 1, 2019, pursuant to Rule 2201 of the Rules of Procedure of the State Bar of California.

After the GC's discussions with Mr. Schons began, Ruben Duran was appointed to the Board of Trustees. Mr. Duran is employed by BBK, but had no knowledge of or involvement with the potential engagement of Mr. Schons as Special Deputy Trial Counsel.

The Office of General Counsel ("OGC") has analyzed whether Mr. Duran's position as a member of the Board of Trustees precludes the State Bar from contracting with BBK for Mr. Schons to serve as SDTCA. OGC has concluded that Mr. Duran's interest in any contract between BBK and the State Bar would be a "remote interest" pursuant to Government Code Section 1091 ("Section 1091"), and therefore that the State Bar may contract with BBK for Mr. Schons to serve as SDTCA. However, Section 1091 requires Board review of the facts of the remote interest and subsequent approval of the contract with BBK.

The facts of Mr. Duran's remote interest are presented below. An "Agreement between the State Bar of California and Best Best & Krieger, LLP re Special Deputy Trial Counsel Administrator" ("Contract") was executed by BBK and the State Bar on October 26 and November 2, 2018, respectively, subject to approval and ratification by the Board of Trustees. OGC recommends that the Board of Trustees approve and ratify the Contract.

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### **BACKGROUND**

Prior to the September 2018 Board meeting, the GC began discussions with Mr. Schons, Of Counsel with BBK, regarding engaging Mr. Schons to serve as SDTCA pursuant to Rule 2201 of the Rules of Procedure of the State Bar of California. The GC later extended Mr. Schons an offer to serve as SDTCA. He accepted the offer. The State Bar and BBK then negotiated the Contract for Mr. Schons to serve as SDTCA through December 31, 2019; the Contract was executed by BBK and the State Bar on October 26 and November 2, 2018, respectively, subject

to approval and ratification by the Board of Trustees. (The Contract is attached as Attachment A.)

In September 2018, Mr. Duran was appointed to and accepted his position on the Board of Trustees. Mr. Duran is an employee of BBK. He had no knowledge of or involvement in the discussions between Mr. Schons and BBK and the State Bar prior to joining the Board of Trustees, and has had no involvement in the negotiations of the Contract since that time. By memorandum attached to this Agenda Item (Attachment B), Mr. Duran has disclosed to the Board of Trustees the following facts about his relationship with BBK and his non-involvement with the potential engagement of Mr. Schons as SDTCA:

1. Mr. Duran is an employee of BBK. He first became employed by BBK in May 2015. He accepted his appointment to the State Bar of California Board of Trustees in September 2018.
2. BBK, a large law firm with approximately 200 attorneys in ten offices, has more than 10 employees.
3. Mr. Duran is a non-equity partner of BBK, and has no ownership interest in BBK.
4. Mr. Duran is not an officer or director of BBK. He has no management rights, and no involvement in the firmwide management of BBK.
5. Mr. Duran did not participate, directly or indirectly, in formulating any bid or other effort by BBK to obtain the contract with the State Bar for Mr. Schons to serve as SDTCA, or in any discussions with either the State Bar or BBK regarding the engagement. Mr. Duran had no knowledge that the State Bar was considering contracting with BBK until he was advised by OGC that it was analyzing whether a conflict existed.
6. Mr. Duran has not had and will not have any involvement at all in the State Bar's engagement with BBK. He has been advised by OGC that, pursuant to California Business & Professions Code section 6036(a), he should disqualify himself from making, participating in the making of, or attempting to influence any decisions of the Board of Trustees or its committees regarding the engagement with BBK, and he will follow this advice.

Given the relationship between Mr. Duran and BBK, OGC analyzed whether a conflict exists that would preclude the State Bar from entering into the Contract with BBK, in particular, whether Government Code Section 1090 ("Section 1090") would prohibit the Contract. Section 1090 provides, in relevant part: "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." (Section 1090(a).)

As discussed in detail below, OGC has concluded that Mr. Duran's interest in the Contract is a remote interest pursuant to Section 1091, and therefore that the Contract between the State Bar and BBK is permissible.

## DISCUSSION

Mr. Duran, as a salaried employee of BBK, has an indirect financial interest in BBK, triggering Section 1090's prohibition with respect to the Contract, unless an exception to Section 1090 applies. (See 89 Ops. Cal. Atty. Gen. 49, 2006 WL 535066, \*2-3 (2006).)<sup>1</sup>

The exception applicable to Mr. Duran's interest in the Contract is the "remote interest" exception set forth in Section 1091, which "permits execution of the contract if the interested officer discloses his or her financial interest in the contract to the public agency, such interest is noted in the agency's official records, and the officer abstains from any participation in the making of the contract." (89 Ops. Cal. Atty. Gen. 49, 2006 WL 535066, \*3 (2006); see also Section 1091(a).)

Section 1091 sets forth a number of factual scenarios that constitute a remote interest. Mr. Duran's indirect interest in the Contract meets the requirements for a remote interest set forth in Section 1091(b)(2), which provides that the following interest is "remote":

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.

(Section 1091(b)(2).)

The facts disclosed by Mr. Duran in Attachment B demonstrate that his indirect interest meets the above requirements for a remote interest:

- Mr. Duran is an employee of the contracting party, BBK. (Attachment B, ¶ 1.)
- BBK has more than 10 other employees. (Attachment B, ¶ 2.)
- Mr. Duran was an employee of BBK more than three years prior to accepting his position on the Board of Trustees. (Attachment B, ¶ 1.)
- Mr. Duran owns less than three percent of the shares of stock of BBK. In fact, he has no ownership interest in BBK. (Attachment B, ¶ 3.)
- Mr. Duran is not an officer or director of BBK. (Attachment B, ¶ 4.)
- Mr. Duran did not directly participate in formulating the bid of BBK. In fact, Mr. Duran has not had and will not have any involvement at all in making or overseeing the Contract. (Attachment B, ¶¶ 5-6.)

Based on the above, OGC has concluded that Mr. Duran's interest in the Contract—which is based solely on his employment by BBK, the large firm that also employs Mr. Schons—is a remote interest pursuant to Section 1091, and therefore that the State Bar is not precluded from entering the Contract. Further, especially given that the GC's discussions with Mr. Schons began before Mr. Duran was named to the Board of Trustees, Mr. Duran's non-involvement in

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<sup>1</sup> If an exception to Section 1090 did not apply, this interest would make void any potential contract between BBK and the State Bar. (See 97 Ops. Cal. Atty. Gen. 70, 72 (2013).)

and lack of knowledge regarding the selection of Mr. Schons as SDTCA and the negotiation of the Contract, the fact that Mr. Duran has no ownership interest in BBK, and Mr. Duran's recusal pursuant to Business & Professions Code Section 6036(a) from all decisions relating to the Contract, OGC believes there would be no appearance of conflict should the Board of Trustees approve the Contract.

Section 1091(a) sets forth several procedural requirements for establishing that Mr. Duran's interest is a remote interest:

1. Mr. Duran must disclose the fact of his remote interest to the Board of Trustees;
2. The remote interest must be noted within the official records of the Board of Trustees;  
and
3. The Board of Trustees must thereafter authorize, approve, or ratify the contract in good faith by a vote of its membership without Mr. Duran's participation.

The first requirement has been met through Mr. Duran's memorandum to the Board of Trustees. (Attachment B.) The second requirement is met through this Agenda Item and the minutes of this meeting. OGC recommends that the Board of Trustees satisfy the third requirement, thereby qualifying Mr. Duran's interest in the Contract as a remote interest, by adopting the recommended resolution below.

#### **FISCAL/PERSONNEL IMPACT**

Under the Contract, Mr. Schons will provide services as SDTCA at the rate of \$150.00 per hour. Subject to prior authorization of the GC, the State Bar will pay for investigative, administrative, and legal support services (excluding secretarial services) at the rate of \$75.00 per hour. The State Bar may also reimburse travel expenses pursuant to the State Bar's Travel and Business-Related Expense Policy.

#### **RULE AMENDMENTS**

None.

#### **BOARD BOOK AMENDMENTS**

None.

#### **STRATEGIC PLAN GOALS & OBJECTIVES**

Goal: None - compliance.

#### **RECOMMENDATION**

**It is recommended that the Board of Trustees approve the following resolution:**

**RESOLVED**, that the Board of Trustees, having considered the facts of Ruben Duran's remote interest in the Agreement Between the State Bar of California and Best Best & Krieger, LLP re Special Deputy Trial Counsel Administrator, approves and ratifies that agreement between the State Bar and Best Best & Krieger LLP.

**ATTACHMENT(S) LIST**

- A.** Agreement between the State Bar of California and Best Best & Krieger, LLP re Special Deputy Trial Counsel Administrator
- B.** Memorandum from Ruben Duran re: Disclosure of Remote Interest in Contract Between State Bar and Best Best & Krieger LLP

**Agreement between the State Bar of California and Best Best & Krieger, LLP  
re Special Deputy Trial Counsel Administrator**

**THIS AGREEMENT** is made as of the last date executed below, by and between **The State Bar of California** (“State Bar”), a public corporation having a principal place of business at 180 Howard Street, San Francisco, CA, and **Best Best & Krieger, LLP** (“Contractor”), having a principal place of business at 3390 University Avenue, 5<sup>th</sup> Floor, P.O. Box 1028, Riverside, CA 92502. This Agreement sets forth the terms and conditions by which Contractor will perform services for the State Bar.

**CONTINGENCY**

This Agreement is contingent upon the approval and ratification of the State Bar Board of Trustees.

**TERM**

This Agreement is effective until December 31, 2019.

**SCOPE OF SERVICE**

Best Best & Krieger, LLP, will assign its employee, Gary W. Schons, to serve as Special Deputy Trial Counsel Administrator (“Administrator”) under The State Bar of California Rules of Procedure, rule 2201 (“Rule 2201”), fully incorporated herein as Attachment A. Administrator will follow all the requirements of Rule 2201 and all laws and rules applicable to the State Bar in the performance of the services (“Services”), as follows:

- Conduct a preliminary review of inquiries and complaints when the Chief Trial Counsel recuses himself or herself pursuant to Rule 2201. The preliminary review should be completed within 60 days after receipt of the inquiry or complaint. The preliminary review includes reasonable and limited outside inquiries.
- If Administrator determines that the factual allegations of the inquiry or complaint are not sufficiently specific, or that the factual allegations contained therein, if proven, would not result in discipline of the member, Administrator shall close the matter.
- In all other cases, including where Administrator is unable to determine whether the factual allegations, if proven, would result in discipline of the member, Administrator shall refer the matter to a Special Deputy Trial Counsel for investigation and all such other proceedings as necessary and appropriate.
- If a complainant requests review of a decision by a Special Deputy Trial Counsel, Administrator shall refer the request for review to a different Special Deputy Trial Counsel than was originally assigned to the complainant’s case.

- Administrator shall supervise the Special Deputy Trial Counsel.
- Upon request of the Chairperson of the Board's Regulation and Discipline Committee ("RAD"), Administrator shall submit a full report to the Committee in the session for which a report is requested. RAD requests that Administrator, his designee, or through the State Bar General Counsel, submit a full report to RAD at each of its meetings in connection with the regular meeting of the Board of Trustees.

## **FEES**

The State Bar will pay for Administrator's reasonable services at the rate of \$150.00 per hour. Costs will be reimbursed by the Bar in accordance with the Travel and Business-Related Expense Policy in effect when the expense is incurred. Contractor will keep contemporaneous records of work performed and submit to the State Bar General Counsel on a monthly basis invoices detailing the services rendered and associated fees and costs for the preceding month. Any anticipated costs other than Administrator's compensation and reasonable work-related travel require prior authorization. Subject to prior authorization of the State Bar's General Counsel, the State Bar will pay for investigative, administrative, and legal support services (excluding secretarial services) at the rate of \$75.00 per hour. Travel expenses must be submitted separately to the General Counsel on an Expense Report with sixty days of incurring the expenses. The Expense Report Form and the Travel and Business-Related Expense Policy can be found on the State Bar website (<http://www.calbar.ca.gov/>) by using the search function. The 2018 Expense Report Form and the Travel and Business-Related Expense Policy are attached to this Agreement as Attachments B and C.

The Administrator will review the invoices and travel expenses submitted by the Special Deputy Trial Counsel for approval. The Administrator will submit the Special Deputy Trial Counsel invoices and travel expenses to the State Bar General Counsel for payment processing within thirty days of receipt.

## **INSURANCE**

- A. Contractor will provide and keep in full force and effect during the term of this Agreement, at Contractor's sole cost and expense, the following insurance policies:
  1. Professional Liability/Errors & Omissions insurance with an occurrence limit of at least two million U.S. dollars (\$2,000,000.00); and an annual aggregate limit of at least two million U.S. dollars (\$2,000,000.00);
  2. Commercial General Liability insurance with a general aggregate limit (other than products/completed operations) of at least two million U.S. dollars (\$2,000,000.00); products/completed operations coverage with an aggregate limit of at least one million U.S. dollars (\$1,000,000.00); advertising and personal injury coverage with an aggregate limit of at least one million U.S. dollars (\$1,000,000.00); and an each occurrence limit of at least one million U.S. dollars (\$1,000,000.00); and

3. Workers' Compensation coverage for Contractor's Personnel as required by law, together with employer liability coverage with limits of at least one million U.S. dollars (\$1,000,000.00), as applicable.
- B. All insurance, except for professional liability, required to be maintained pursuant to this Agreement will name the State Bar, its Board of Trustees, directors, officers, and employees, as additional insureds, will be primary and non-contributing with respect to any other insurance maintained or available to the State Bar, and will be with carrier(s) acceptable to the State Bar.
- C. Contractor will deliver to the State Bar offices at 180 Howard Street, San Francisco, CA 94105, Attn: Procurement Unit, Office of General Services, certificates of insurance evidencing compliance with the requirements in this Agreement within ten (10) days from the Effective Date of this Agreement. Contractor will immediately notify the State Bar when it becomes aware of any cancellation or material change in the amounts of or type of coverage of the insurance policies required.
- D. If Contractor fails to secure and maintain insurance policies complying with the provisions of this Agreement, the State Bar may purchase the required insurance coverage and Contractor will reimburse the State Bar for all associated costs within thirty (30) days of the State Bar's purchase of such required insurance coverage.

## **INDEPENDENT CONTRACTOR**

It is the express intention of the parties that Contractor is an independent contractor and not an employee, agent, joint venturer or partner of the State Bar. Nothing in this agreement will be interpreted or construed as creating or establishing the relationship of employer and employee between, respectively, the State Bar and Contractor or any assistant, employee, or agent of Contractor. As a consequence, the State Bar will not withhold any amount for any tax or other withholdings from any sums due Contractor under this Agreement. Neither Contractor nor its employees or agents will perform any act or acts that might lead those with whom they deal to believe that they are representatives of the State Bar, except as to the performance of the services outlined in this Agreement.

## **TERMINATION OF AGREEMENT**

Contractor may be removed by the Chairperson of RAD, its designee, or the State Bar's Office of General Counsel. Contractor may terminate this Agreement, with or without cause, upon thirty days' written notice to the State Bar. Upon termination, cancellation or expiration of this Agreement, Contractor will promptly deliver all work product created in the performance of Services to the State Bar, including, but not limited to, any and all notes, reports and documents used or created by Contractor.

## **CONFIDENTIALITY AND WORK PRODUCT**

All work performed and materials and work product of any kind generated in furtherance of this Agreement will be deemed confidential attorney work product and shall not be disclosed except at the direction of the State Bar or pursuant to a court order.




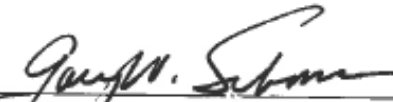
If any person or entity requests by subpoena or court order any information or materials relating to this engagement which is within the custody or control of Contractor (or the custody or control or agents or representative of Contractor), Contractor shall inform the State Bar of such request and cooperate with the State Bar to the extent the State Bar objects or moves to quash such request or subpoena.

Documents received by the State Bar pursuant to this engagement will be maintained by the State Bar as confidential. In the event the State Bar supplies Contractor with information and materials or other privileged matter, such information and materials will remain privileged and that Contractor will maintain the confidentiality of such information and materials. Any reports generated by Contractor or Administrator are to be used only in connection with the matters discussed in this engagement and may not be published or used in any other manner without the written consent of the State Bar.

**STATE BAR OF CALIFORNIA,**  
A public corporation.

**BEST BEST & KRIEGER, LLP**

By:   
Print: Steve Mazer  
Title: Chief Admin. Officer  
Date: 11/02/2018

By:   
Print: GARY W. SCHONS  
Title: OF COUNSEL  
Date: October 26, 2018

## **Rule 2201. APPOINTMENT AND AUTHORITY**

(a) The Chief Trial Counsel or designee shall recuse herself or himself when:

(1) Any inquiry or complaint is about:

- i. The Chief Trial Counsel or designee;
- ii. A member employed by the State Bar of California;
- iii. An attorney member of the Board of Trustees;
- iv. An attorney member of the executive committee of any State Bar section, committee or commission; or
- v. A member who has a current or recent personal, financial, or professional relationship to the Office of the Chief Trial Counsel or its employees; or,

(2) The Chief Trial Counsel or designee believes:

- i. That his or her recusal would further the interests of justice; or,
- ii. There is a substantial doubt as to his or her capacity to be impartial; or

(3) A person aware of the facts might reasonably entertain a doubt that the Chief Trial Counsel or designee would be able to be impartial.

(b) The Chief Trial Counsel may recuse herself or himself:

- (1) If she or he receives an inquiry or complaint concerning a member who has a current or recent personal, financial, or professional relationship to the State Bar, its employees, other than those employees referenced in subsection (a)(1)(v), above or a non-attorney member of the Board of Trustees; or
- (2) in other appropriate circumstances to avoid the appearance of any impropriety when it appears that the member who is the subject of the inquiry or complaint will not receive fair treatment.

(c) Duties of the Special Deputy Trial Counsel Administrator

- (1) In the event of the Chief Trial Counsel's recusal, the inquiry or complaint shall be referred to the Deputy Trial Counsel Administrator or delegee ("Administrator").
- (2) The Administrator shall conduct a preliminary review of the inquiry or complaint which includes reasonable and limited outside inquiries.

- (3) If the Administrator determines that the factual allegations of the inquiry or complaint are not sufficiently specific, or that the factual allegations contained therein, if proven, would not result in discipline of the member, the Administrator shall close the matter. In all other cases, including where the Administrator is unable to determine whether the factual allegations, if proven, would result in discipline of the member, the Administrator shall refer the matter to a Special Deputy Trial Counsel for investigation.
- (4) The preliminary review required by section (c)(2-3) shall be completed within sixty (60) days after the written inquiry or complaint is first received, provided, however, that such time limit is not jurisdictional.
- (5) A complainant may request review of a decision by an Administrator to close a complaint or inquiry. The Administrator shall refer such a request for review to a Special Deputy Trial Counsel.

(d) Duties of Special Deputy Trial Counsel

- (1) Upon receipt of a referral by the Administrator, the Special Deputy Trial Counsel shall conduct an investigation and all such other proceedings as necessary and appropriate.
- (2) A complainant may request review of a decision by a Special Deputy Trial Counsel to close a complaint or inquiry. The Administrator shall refer such a request for review to a different Special Deputy Trial Counsel than was originally assigned to complainant's case. Upon receipt of a referral by the Administrator to perform a review of a closed disciplinary complaint, the Special Deputy Trial Counsel will determine whether to recommend to the Administrator that the complaint should be reopened for investigation.

(e) The Administrator and Special Deputy Trial Counsel:

- (1) Shall have all the powers and duties of the Chief Trial Counsel and shall act entirely in her or his place with regard to an inquiry or complaint and any resulting investigation or prosecution.
- (2) Must be active members in good standing of the State Bar of California, but may not be employees of the State Bar, members of the Board of Trustees, or Judges Pro Tempore of the State Bar Court.
- (3) May receive compensation for services and reimbursement of reasonable expenses for investigative, administrative and legal support.
- (4) Shall comply with the written or other established policies of the State Bar of California and the Office of the Chief Trial Counsel, except to the extent that compliance would be inconsistent with the purposes of this rule.
- (5) May be removed by the Chairperson of the Regulation and Discipline Committee or designee only for good cause, including any condition that impedes the timely performance of their duties.

- (f) The State Bar's Office of General Counsel may be designated by the Chairperson of the Board's Regulation and Discipline Committee to monitor all referrals to the Administrator and Special Deputy Trial Counsel in a manner that maintains the required impartiality and confidentiality. The State Bar's Office of General Counsel may also be designated by the Chairperson of the Board's Regulation and Discipline Committee to remove the Administrator or Special Deputy Trial Counsel as provided in section (e)(5) of this rule.
- (g) Upon the request of the Chairperson of the Board's Regulation and Discipline Committee, but no less than twice a year, the Administrator and/or the Office of General Counsel shall submit a full report to the Committee in the appropriate session of its meeting about the processing of all inquiries and complaints in a manner that maintains the necessary impartiality and confidentiality of the matters under review pursuant to this rule.

Eff. January 1, 1996. Revised September 1, 2006. Revised July 22, 2016.

# The State Bar of California EXPENSE REPORT

2018

☒ STAFF ☐ OTHER

*Due to Procurement SF within 60 days of travel.*

TRAVELER NAME			TRAVEL WEEK OF
WORK ADDRESS			
DEPARTMENT			EXT
<i>Any other lodging or airfare not shown provided directly by the State Bar?</i>		<input type="checkbox"/> Lodging <input type="checkbox"/> Airfare	

TRIP 1 PURPOSE		TRIP 2 PURPOSE	
LOCATION FROM		LOCATION FROM	
TRAVEL TO		TRAVEL TO	
RETURN TO		RETURN TO	

*Enter amounts paid by traveler. Indicate all other travel payments by entering DB for direct bill or PC for Pcard charges. Circle any missing receipts.*

Travel Expense	MON	TUE	WED	THU	FRI	SAT	SUN	
LODGING								LODGING & INCIDENTALS
INCIDENTALS								
TAXI / SHUTTLE / RIDESHARE 1								TRANSPORT
TAXI / SHUTTLE / RIDESHARE 2								
PUBLIC TRANSIT (BUS/RAIL)								
PARKING (HOTEL/LOT/METER)								
TOLLS (BRIDGE)								
OTHER <i>select from list if needed</i>								
AIR TRAVEL								
AUTO (PERSONAL) <small>miles / 54.5¢</small>								
AUTO (RENTAL)								
AUTO (RENTAL GASOLINE)								
BREAKFAST (travel before 7:00a)								MEALS
LUNCH (travel at 12:30p)								
DINNER (travel after 7:00p)								

## Notes

*Explain any missing receipts circled above.*


## Other Claims

*Volunteers are not authorized to make purchases or render / engage services for the State Bar.*

DATE	Description of claim (only enter items not accounted for above, will add to total).	AMOUNT

[Employee Travel Policy](#)

[Volunteer Travel Policy](#)

TOTAL MISC:

## Accounting Distribution

## Reimbursement Totals

		TOTAL EXPENSE	
		LESS CASH ADVANCE	
		BALANCE DUE REQUESTOR	
		BALANCE DUE STATE BAR <i>(Check Attached)</i>	
Requestor's Signature: <i>(Print Name &amp; Sign)</i>	Date:	Authorized Signature: <i>(Print Name &amp; Sign)</i>	Date:

*For reimbursement, submit to Procurement LA with approval signature and original receipts. Hold all PC receipts for Purchasing Card statement. Keep a copy for your records.*

# **The State Bar of California**

## **2018 Travel and Business-Related Expense Policy: Volunteers and Contractors**

The State Bar greatly appreciates the service of its many volunteers, and is able to reimburse reasonable, documented travel expenses incurred for State Bar business, pursuant to this policy. We do have a limited travel budget, so if your employer or other source is able to cover the cost of your travel expenses, that will allow us to stretch our budget and devote additional resources to the important work of the State Bar.

### **I. POLICY STATEMENT**

This policy document sets forth the standards and procedures used to identify and reimburse legitimate travel and business-related expenses incurred while conducting necessary, authorized business of the State Bar.

### **II. SCOPE**

This policy covers all non-employees, including but not limited to, the Board of Trustees, committee members, speakers, invited guests, other volunteers, and contractors, who incur or seek reimbursement for out-of-pocket expenses incurred while conducting State Bar business. Authorization from the Executive Director or Chief Administrative Officer is required to make exceptions to these policies.

### **III. GENERAL GUIDELINES**

- A. This document addresses the most common scenarios and issues for travel and business-related expenses, but it is not necessarily exhaustive. For any scenario or issue not specifically addressed, the State Bar's Office of General Services or Office of Finance will interpret and apply this policy and any other applicable State Bar policies. In addition to the specific policy guidelines described here, travel and other business-related expenses must be reasonable, as compared to other similar travelers' expenses or other historical travel benchmarks. General Services and Finance reserve the right to reduce or deny a request for reimbursement or payment for any expense that is deemed either not in compliance with policy or otherwise unreasonable.
- B. Travelers should travel economically, taking into account both monetary and time costs.
- C. Each traveler is responsible for his/her own expenses and should not pay, or seek reimbursement, for the expenses of other employees, volunteers or contractors. There will be no reimbursement for the expenses of a spouse, guest or pet who accompanies a traveler on State Bar business.
- D. An individual is on "Travel Status" when, in the course of conducting business for the State Bar, he/she travels to a destination that is at least 30 miles away from his/her primary workplace, including transportation between home residence and workplace. Absent specified exceptions described in this policy, airfare, lodging and meal per diem expenses can only be incurred when an individual is on Travel Status. Other travel-related expenses, and selected communication and miscellaneous expenses, may be allowable whether or not the 30-mile requirement for Travel Status has been met, as described herein.
- E. Business-related travel for any out of state destination requires express prior written approval from the Executive Director or the Chief Administrative Officer. Additionally, Assembly Bill 1887 (enacted September 27, 2016), added section 11139.8 to the Government Code, prohibiting state-funded or state-sponsored travel to states with discriminatory laws. The following states are currently subject to the ban on state-funded and state-sponsored travel: Kansas, Mississippi, North Carolina and Tennessee. The California Attorney General's Office maintains a current list of prohibited states [here](#).

- F. Requests for reimbursement should be made after the actual travel has occurred and include all out-of-pocket expenses, regardless of when tickets were purchased or transactions occurred.
- G. Claims for payment or reimbursement must be truthful and accurate, and include only allowable expenses. Intentional misrepresentation on a payment request or reimbursement claim shall be subject to those consequences permitted by law.
- H. Volunteers may incur expenses for their own travel in accordance with this policy. Volunteers are not allowed to make other purchases or render or engage services for the State Bar. All purchases or services must be initiated by State Bar employees through the Office of General Services, Procurement Unit.
- I. The State Bar participates in the California Statewide Travel Program managed exclusively by the TravelStore. Employees and volunteers can make air, car rental and hotel reservations by calling 877-454-8785 or using the TravelStore's "Concur" online reservation system. Travelers must set up a travel profile with the TravelStore before using the system; Meeting & Travel staff in the Office of General Services have provided instructions for setting up a travel profile to designated department, committee and section liaisons; travelers should contact their designated liaison for assistance setting up a travel profile. Travelers are not required to book through the TravelStore; direct bookings and bookings through other travel agencies are permitted, but booking fees in excess of those charged by the TravelStore (\$7 for online booking, \$12 for live agent assistance) will not be reimbursed. Under some circumstances, as noted below, comparison rates from the TravelStore or Southwest Airlines site must be provided for reservations booked by other means or with other airlines.

## **IV. REPORTING GUIDELINES**

### **A. EXPENSE REPORT**

- 1. Policy Compliance: Expense reports are reviewed for accuracy, completeness and policy compliance by the Office of General Services, Procurement Unit, before they are sent to the Office of Finance for processing and payment. General Services and Finance reserve the right to reduce or deny a request for reimbursement for any expense that is deemed either not in compliance with policy or otherwise unreasonable.
- 2. Responsibilities: It is the responsibility of travelers to submit to their State Bar liaison a completed, legible Expense Report with supporting documentation for approval. Any additional explanation or justification memos required must be initialed by the traveler's liaison, unless noted otherwise. It is the responsibility of approvers to assure that Expense Reports submitted for approval are complete and accurate, comply with this policy, and are timely forwarded to Procurement.
- 3. Expense Reporting: The [Expense Report](#) form (example: [Appendix A](#)) is used to reimburse individuals for out-of-pocket travel expenses while conducting business for the State Bar. Reimbursement payable to a firm or company rather than an individual requires a Check Request form with supporting documentation, to be completed by the State Bar liaison. Independent contractors with allowances for travel expense reimbursements should follow the terms of their specific contracts.
- 4. Travel Dates: Travelers can use the Expense Report for a maximum of two trips conducted within any seven consecutive calendar days. If a single trip goes over seven consecutive calendar days, a separate Expense Report is required.
- 5. Expense Report Receipts: Original issued receipts for expenses other than per diem meals should be attached to the Expense Report. Where receipts for ground and public transportation are not provided by the carrier, or contain no itemized trip detail, expenses are reimbursable if the amount claimed is deemed reasonable as compared to other similar travelers' expenses. Reimbursement for any items claimed under "Other Claims" will not be approved without a supporting itemized receipt. Receipts for air, rail, lodging and car rental expenses must contain

itemized pricing and reflect appropriate travel detail (e.g., departure/arrival times, travel dates and location, service class, upgrades, additional fees, etc.). Statement summaries and non-itemized credit card receipts are not acceptable substitutes for receipts but can serve as additional, supporting documentation for original receipts that naturally lack the required detail. If booking through third party vendors such as Travelocity, Orbitz, etc., and no receipt is provided by the vendor, the traveler should include booking confirmations with equivalent detail. Electronically issued receipts for online purchases are considered original issued receipts. To substantiate a claim for reimbursement, receipts for lodging and transportation must be in the name of the traveler.

6. **Deadlines:** The deadline for submitting an Expense Report to the State Bar liaison is 30 calendar days from the end of the week the trip concludes. Late Expense Reports may not be paid. Incomplete, incorrect, or illegible reports may be returned to the requestor for correction, or held for a second level review which may result in delay or non-reimbursement of a specific item.
7. **Signature:** All Expense Reports must be signed by the traveler seeking reimbursement. Facsimile signatures, digital signatures and digital scans are acceptable, a typed “/s” is not. Approval signatures by State Bar liaisons must be original and not delegated via signature stamp.
8. **Revisions:** All modifications to a handwritten Expense Report must be individually initialed by the person making the correction. Any revisions necessary to correct or add to a previously submitted Expense Report must be clearly labeled as “revised” at the top of the form.
9. **Credits:** Previously paid credits issued for canceled air flights can be used to reduce the cost of other future airfare for State Bar business (unused tickets appear on the traveler’s TravelStore profile and should be used towards future travel prior to expiration). However, gift-certificates, vouchers, coupons, points or other promotional “credits” should not be used to purchase or be used to increase traveler reimbursements.
10. **Gifts, tokens of appreciation and other non-travel-related or non-business-related expenses** are not reimbursed under this policy.
11. Travelers must use the current 2018 electronic [Expense Report](#) form to ensure policy compliance. Non-standard forms or forms from prior years will not be accepted.

## **B. PURCHASING CARD REPORTING**

1. Purchasing Cards are not issued to volunteers.

# **V. ALLOWABLE EXPENSES**

## **A. TRANSPORTATION**

### **1. Personal Automobile**

- a) Travelers required to use a personal automobile to conduct State Bar business will be reimbursed for mileage at the Internal Revenue Service approved rate as follows:
  - i) Reimbursable mileage is incurred when a traveler leaves the location of his/her workplace on State Bar business and returns to that same location.
  - ii) Reimbursable mileage is incurred when a traveler does not report to his/her primary workplace during the workday because of State Bar business.
  - iii) Reimbursable mileage is incurred while conducting State Bar business while on the way to or from home or the primary workplace. Reimbursement will be for that mileage in excess of normal commute round trip mileage between home and the primary workplace.



- iv) A printout from Google Maps or comparable source should be included with the Expense Report to substantiate mileage claimed.
- v) Travelers who elect to drive rather than fly to conduct State Bar business will not be reimbursed in excess of the cost of the most economical form of transportation. Travelers must attach to Expense Reports dated documentation from the TravelStore site or the Southwest Airlines site to substantiate comparable travel expense (lodging, airfare, rental car). If comparable documentation is missing, Procurement reserves the right to adjust the requested amount that is not deemed reasonable as compared to other similar travelers' expenses, or other historical travel benchmarks. Mileage in excess of what comparable airfare would have cost is not reimbursable. Exceptions may be permitted when travelers are required to drive in order to economically deliver materials that would otherwise be shipped at additional cost, or special medical accommodations are required. Fuel that is put into a private vehicle is not reimbursable and cannot be charged to a Pcard. The mileage rate is intended to reimburse fuel costs maintenance and other depreciation for private auto use.
- vi) Damage to personal autos while being used on State Bar business is not covered.

## **2. Car Rental**

- a) Rental cars may be used to conduct State Bar business when necessary and economically practical compared to other modes of transportation. All associated rental costs should be considered and compared to the equivalent taxi or other ground services available, including the taxes, surcharges, fuel expense, hotel parking and highway tolls. Approvers are responsible for verifying that modes of ground transportation used to attend offsite meetings are consistent for their group and that any deviations or special circumstances are noted.
- b) As a general rule, rental cars should be limited to economy models, including sub-compact and compact size. Exceptions may be permitted when travelers are required to drive a larger vehicle in order to economically deliver materials, to accommodate a physical limitation, or when multiple travelers are driving together and need the additional space for passengers, luggage and other meeting materials. Exceptions may also be permitted for a 4-wheel-drive vehicle to provide safe transportation during inclement weather.
- c) The California Statewide Travel Program has a master contract with Enterprise and National; depending on location and dates of travel, the California contract rates are sometimes cheaper than standard rates or rates offered by other car rental agencies. Where Enterprise and National are available and cheaper than other agencies, travelers should book with these agencies via the TravelStore, or directly using Account Number XZCA999 (company name "CAL," if requested).
- d) The State Bar carries insurance that covers travelers (both employees and volunteers) when renting a vehicle while on State Bar business. Thus, travelers should not elect to carry the additional collision and liability coverage offered by rental agencies when traveling on State Bar business. Any additional insurance elections will be deemed a personal expense and will not be reimbursed.
- e) Personal and business purposes should not be combined on a single rental car reservation. In the event of sequential business and personal travel, a car used for business purposes should be returned at the conclusion of business, and a personal rental then initiated.
- f) Cars should be returned with a full tank of gas; pre-paid tank options should be incurred only when the employee is sure that he/she will exhaust close to a full tank of gas.
- g) Fuel costs incurred for rental cars while on State Bar business are reimbursable, and may also be charged to a Pcard. Fuel should be charged to the same Pcard account that was used to reserve the automobile rental. Compliance with the rental car agency agreement is

the responsibility of the traveler who signs the rental agreement. Please be aware of provisions in the rental agreement that prohibit any other person from driving the car.

h) In the event of an accident, follow these steps:

- Attend to any medical issues.
- Report to appropriate law enforcement agencies immediately.
- Consult the rental contract and follow its instructions.
- Promptly submit an accident report to the State Bar's Risk Management Unit.

### **3. Air Travel**

- a) Reimbursement for air travel will be limited to the cost of a refundable coach/ economy fare, subject to the further restrictions below, plus the cost of checking up to two pieces of luggage per traveler, if required. Lower cost non-refundable fares should be purchased if it is practical to do so. First Class, Business Class or Southwest Business Select fares are not permitted; if purchased, the difference between the economy and higher class fare will be considered a personal expense and will not be reimbursed. The cost of airline memberships, preferential seating, pre-boarding or any other accommodation upgrade will be considered a personal expense and will not be reimbursed. Charges incurred from a change of flight schedule for personal convenience are not reimbursable, but may be permitted for business purposes or other extenuating circumstances if the reason accompanies the Expense Report.
- b) Travelers may book air travel using the TravelStore, another travel agency or directly through the airline. For round-trip flights over \$500 (inclusive of taxes and fees) on routes not serviced by Southwest Airlines, travelers may book tickets directly with other airlines or another travel agency only if the fare is equal to or less than the fare available from the TravelStore. In such a case, the comparison fare from the TravelStore's site must be attached to the Expense Report or Pcard statement. On routes serviced by Southwest Airlines, travelers may book on a different airline only if the rate is equal to or less than the rate available from Southwest. In such a case, the comparison rate from Southwest must be attached to the Expense Report or Pcard statement.
- c) Travelers who incur excessively high fares due to a personal choice to use an airline other than Southwest, or to use a non-standard route when a more reasonable route exists, will be reimbursed only for the portion of the fare equal to the comparable Southwest fare and/or the fare for the more reasonable route.

### **4. Rail Service**

- a) Coach rail service may be used when necessary and economically practical compared to air and/or ground transportation. Reimbursement will be made based on the most economical, reservable service class available. Preferential or other luxury upgrades are not reimbursable. Note that on Amtrak, all reservable seats are called "business class" and are permitted.

### **5. Shuttle/Taxi/Car Service/Rideshare Service**

- a) Shuttles, taxis, car services and rideshare services required to conduct State Bar business are allowable expenses.
- b) Tipping is optional, but should not exceed 15 percent except in the case of an extremely low fare value.
- c) Airport trips may be covered by a fixed flat fee, and the metered fare or flat fee fare can be selected by the traveler at the payment point, whichever is more economical. Reimbursements should be capped at the fixed flat rate plus gratuity if less than the metered fare. (In Los Angeles, the taxi rate between LAX and downtown, including the Bar's office at

845 S. Figueroa, is a flat fare, plus a surcharge for trips originating at LAX; travelers should not pay the metered fare between LAX and the LA office.)

- d) Travelers may also use rideshare options such as Uber and Lyft, as these services may be cheaper than traditional taxis. Any premium service offered (i.e. Uber Black or Uber SUV ) will be considered a town car equivalent and subject to the limitations below. If tipping is included in the fare, any additional tipping is not permitted. If tipping is not included in the fare, it is permitted consistent with section (b) above. Insurance coverage limits and exclusions may differ from provider to provider.
- e) A higher-cost limousine, town car, or black-car service is not reimbursable unless a less-expensive service is unavailable.
- f) Travelers going to the same destination are encouraged to share ground transportation whenever it is practical to do so.

## **6. Transit, Tolls, Parking and Fines**

- a) Public transit fares, bridge tolls and parking fees incurred by travelers on State Bar business are allowable expenses.
- b) Airport parking reimbursement will be limited to the onsite economy or daily rates available. Short-term, hourly or premium parking expenses are not allowable.
- c) Parking tickets and traffic fines incurred by travelers will not be reimbursed.

## **B. LODGING**

- 1. When lodging away from home is required to conduct State Bar business, reimbursement for lodging expenses will be made for the actual cost of a standard single accommodation hotel room, up to the maximum authorized lodging rate ([Appendix B](#)) or the contracted group rate pre-negotiated by State Bar staff for specific group meetings.
- 2. Individuals engaged as speakers for State Bar programs may be reimbursed for the actual cost of a standard single accommodation hotel room per their individual contract terms, if applicable.
- 3. When the State Bar has not contracted for a block of hotel rooms for a group meeting or event, individual lodging accommodations can be reserved through the TravelStore, directly with a hotel, or with the assistance of Meeting & Travel staff in the Office of General Services. If booking directly, travelers should check to see if government rates or other discounted rates are available.
- 4. When the State Bar has contracted for a block of hotel rooms for a group meeting or event, attendees of that meeting or event must stay at the contracted hotel to ensure that State Bar meets its contracted minimum number of rooms and does not incur fees for unused rooms. Travelers who choose, as a matter of personal preference, to stay at a different hotel, will not be reimbursed for lodging costs, and will be required to make their own reservations without the assistance of State Bar Meeting & Travel staff.
- 5. [Intentionally Blank].
- 6. Lodging must be provided by a commercial establishment in the travel accommodation industry (e.g., hotel, motel, executive leased apartments). No reimbursement will be made for stays at personal residences, home-sharing services, or other barter or in-kind arrangements.
- 7. Lodging expenses in excess of the current authorized lodging rates will not be reimbursed unless a prior contracted group rate has been negotiated with the hotel, or unless expressly authorized for some other business purpose. This must be confirmed by the submission of a Hotel Authorization form listing the room rate, taxes and dates of stay. The Hotel Authorization form should be prepared by the State Bar liaison

8. If an Expense Report is submitted without the necessary Hotel Authorization and the lodging rate is in excess of the authorized rate, the Expense Report will be returned to the traveler for correction, or reimbursement will be made for only the authorized maximum hotel rate.
9. The State Bar covers the cost of the hotel room and necessary business-related telephone calls, parking, non-premium internet charges and business center expenses. These expenses should be itemized on the Expense Report and not included with the lodging rate. Travelers should use their own wireless devices wherever feasible if more economical than using the hotels' services. Travelers are responsible for covering their personal incidental expenses including personal telephone calls, room service and other in-room self-service items. All hotel guests are asked to provide a personal credit card at the time of check in to cover the cost of personal incidentals. See section V.D., Communications & Incidentals.
10. Any charges resulting from failure to cancel lodging reservations are not the responsibility of the State Bar unless the reason for failure to cancel in time is related to State Bar business or due to an unavoidable personal emergency.
11. Gratuities for items such as luggage assistance, valet service or maid service are not allowable expenses. The incidental per diem of \$6.00 should be claimed when these types of otherwise non-reimbursable gratuity expenses are incurred.
12. For individuals not on Travel Status, lodging may be reimbursed only if there is a specific business need for the hotel stay, such as staffing the Bar exam or an offsite meeting at the hotel.

## **C. MEALS**

### **1. Per Diem Reimbursed Meals for Individuals**

- a) [Intentionally Blank]
- b) Per diem meal costs will be reimbursed at the authorized per diem meal rate ([Appendix B](#)).
- c) Per diem meal costs will be reimbursed based on the following travel status guidelines:
  - Breakfast: Traveling before 7:00 a.m.
  - Lunch: Traveling at 12:30 p.m.
  - Dinner: Traveling after 7:00 p.m.
- d) The meal per diem may not be claimed when a meal is otherwise provided (e.g. a State Bar catered lunch, conference meals, etc.).
- e) Tips for restaurant service are considered to be part of the per diem rate and are not reimbursable beyond the per diem rate.
- f) For individuals not on Travel Status, meal costs may be reimbursed at the authorized per diem meal rate if the meal was work-related and in conditions beyond the individual's control, such as required attendance at an offsite meeting.

### **2. Catered Meals**

- a) Refreshments and/or meals may be catered at State Bar expense at State Bar meetings and events provided that the attendees are not exclusively State Bar employees and the subject matter of the event is not routine internal State Bar business or staff meetings. Individuals (including members of the Board of Trustees, committee members, and State Bar employees) attending such activities as part of their duties are entitled to partake of the catered meal, regardless of whether they are on Travel Status.

- b) The cost of catering for onsite meetings and events may not exceed the authorized onsite catering rates (Appendix B). Onsite catering must be arranged through the Meeting & Travel staff in the Office of General Services to ensure compliance with policies related to cost, insurance and building access. Catering for offsite meetings and events is addressed in Section VII below.

### **3. Alcoholic Beverages**

- a) Alcoholic beverages and corkage fees are not reimbursable expenses and may not be charged to Pcards.

## **D. COMMUNICATIONS, MISCELLANEOUS EXPENSES & INCIDENTALS**

1. Reimbursement is provided for reasonable expenses incurred in making business-related telephone calls and limited calls to the individual's home resulting from the requirements of business; and for expenses such as offsite photocopying, faxing or hotel business center charges. These expenses are reimbursable whether or not Travel Status requirements are met.
2. Any additional roaming services needed to accommodate State Bar communications while an employee is not on Travel Status (e.g., office communications while on vacation) must be approved and arranged through Procurement in advance of travel.
3. Incidental expenses may be claimed up to a maximum of \$6.00 per day to cover the cost of gratuities and other minor expenses incurred while on Travel Status.

## **VI. EXPENSE ADVANCES**

- A. Volunteers and contractors are not eligible for travel advances.

## **VII. OFFSITE MEETINGS AND WEEKEND/EVENING MEETINGS**

- A. Meetings and events should be held onsite at the Bar's offices in San Francisco and Los Angeles, in order to avoid the cost of offsite meeting room rental fees and, in particular, hotel catering, which is usually significantly more expensive than onsite catering. Meetings should only be held offsite if there is a significant business need to use another venue. Factors to be considered include: the availability of State Bar conference center space; the size of the meeting; unique logistical requirements of the meeting; the cost of offsite meeting space and catering; and the proximity of the proposed offsite location to economical transportation and lodging options. Except as specified in (B) and (C) below, meetings anticipated in offsite venues require approval of the Executive Director or Chief Administrative Officer before the meetings are scheduled and before any outside venues are secured. Offsite catering costs may require separate approval even if approval for an offsite venue is initially granted by the Executive Director or Chief Administrative Officer.
- B. Contracts for offsite meeting venues must be initiated by the Office of General Services. This requirement does not apply to the Office of Admissions for Bar exam testing sites; subject to the provisions above, Admissions may initiate site contracts per their established procedures.
- C. Onsite meetings should be scheduled for business hours whenever possible, to avoid extra charges that may be incurred to provide building services or staff services on evenings and weekends.

# The State Bar of California EXPENSE REPORT

**2018**

☒ STAFF ☐ OTHER

*Due to Procurement SF within 60 days of travel.*

TRAVELER NAME	John Smith	TRAVEL WEEK OF	1/1/2018
WORK ADDRESS	180 Howard St, San Francisco		
DEPARTMENT	Office of Chief Trial Counsel	EXT	2999
Any other lodging or airfare not shown provided directly by the State Bar?		<input type="checkbox"/> Lodging <input checked="" type="checkbox"/> Airfare	enter DB under date(s) below

TRIP 1 PURPOSE	Training in LA Office	TRIP 2 PURPOSE	
LOCATION FROM	San Francisco	LOCATION FROM	
TRAVEL TO	Los Angeles	TRAVEL TO	
RETURN TO	San Francisco	RETURN TO	

*Enter amounts paid by traveler. Indicate all other travel payments by entering DB for direct bill or PC for Pcard charges. Circle any missing receipts.*

Travel Expense	MON 1/1	TUE 1/2	WED 1/3	THU 1/4	FRI 1/5	SAT 1/6	SUN 1/7	LODGING & INCIDENTALS
LODGING			120.00	120.00				
INCIDENTALS			2.00	6.00				\$ 248.00
TAXI / SHUTTLE / RIDESHARE 1			57.00	29.00				TRANSPORT
TAXI / SHUTTLE / RIDESHARE 2								
PUBLIC TRANSIT (BUS/RAIL)			8.95	10.50				
PARKING (HOTEL/LOT/METER)								
TOLLS (BRIDGE)								
OTHER <i>select from list if needed</i>								
AIR TRAVEL			PC					
AUTO (PERSONAL) miles/54.5¢		-	15 8.18	15 8.18	-	-	-	
AUTO (RENTAL)								
AUTO (RENTAL GASOLINE)								\$ 121.80
BREAKFAST (travel before 7:00a)				7.00				MEALS
LUNCH (travel at 12:30p)			11.00	11.00				
DINNER (travel after 7:00p)			23.00					
								\$ 52.00

## Notes

*Explain any missing receipts circled above.*


## Other Claims

*Volunteers are not authorized to make purchases or render / engage services for the State Bar.*

DATE	Description of claim (only enter items not accounted for above, will add to total).	AMOUNT

[Employee Travel Policy](#)

[Volunteer Travel Policy](#)

TOTAL MISC:

## Accounting Distribution

## Reimbursement Totals

10310	40510	\$ 421.80	TOTAL EXPENSE	\$ 421.80
			LESS CASH ADVANCE	
			BALANCE DUE REQUESTOR	\$ 421.80
			BALANCE DUE STATE BAR (Check Attached)	
Requestor's Signature: (Print Name & Sign)		Date:	Authorized Signature: (Print Name & Sign)	
John Smith		1/5/2017		

*For reimbursement, submit to Procurement SF with approval signature and original receipts. Hold all PC receipts for Purchasing Card statement. Keep a copy for your records.*

Appendix B  
Authorized Travel and Catering Rates

**Mileage Reimbursement**

Effective January 1, 2018 the personal auto mileage reimbursement rate is 54.5¢ per mile driven. The mileage reimbursement rate will be adjusted to mirror the reimbursement rate established by the U.S. Internal Revenue Service for business-related reimbursement. These rates are imbedded in the formulas of the online Expense Report and will be adjusted on the effective date of any rate change.

**Lodging Reimbursement (excluding all taxes)**

The lodging reimbursement rate will be adjusted to mirror the reimbursement rate established by the State of California Department of Human Resources.

<u>County</u>	<u>Reimbursement Rate</u>
NORTHERN CALIFORNIA	
San Francisco	\$250
Alameda, San Mateo, Santa Clara	\$140
Marin	\$110
Napa, Sacramento	\$95
SOUTHERN CALIFORNIA	
Los Angeles, Orange, Ventura	\$120 (excluding City of Santa Monica)
City of Santa Monica	\$150
San Diego, Monterey	\$125
Riverside	\$95
ALL OTHER COUNTIES	\$90

**Individual Employee Travel Meal Reimbursement**

Breakfast:	\$7.00
Lunch:	\$11.00
Dinner:	\$23.00

**Maximum Onsite Catering Cost Per Meal\***

Breakfast	\$7.00
Lunch	\$11.00
Dinner	\$23.00

\*New catering rates were implemented on July 10, 2017.




# The State Bar of California

## BOARD OF TRUSTEES

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Date: November 7, 2018

To: The State Bar of California Board of Trustees

From: Ruben Duran, Member, The State Bar of California Board of Trustees 

Subject: Disclosure of Remote Interest in Contract Between State Bar and  
Best Best & Krieger LLP

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In September 2018, after joining the State Bar of California Board of Trustees, I was informed by the Office of General Counsel ("OGC") that the State Bar was considering entering into a contract with my employer, Best Best & Krieger LLP ("BBK"), for BBK Of Counsel Gary W. Schons to serve as a Special Deputy Trial Counsel Administrator pursuant to Rule 2201 of the Rules of Procedure of the State Bar of California. OGC further informed me that OGC would analyze whether a conflict existed with respect to the State Bar contracting with BBK and my employment by BBK and my trustee position.

Thereafter, OGC advised me of its conclusion that my interest in the State Bar's potential contract with BBK was a "remote interest" under California Government Code section 1091, such that the State Bar is not precluded from contracting with BBK for Mr. Schons's services. OGC further advised me that, to satisfy the statutory requirements for a "remote interest," I must disclose to the Board of Trustees the facts of my remote interest in the State Bar's contract with BBK for Mr. Schons's services.

By this memorandum, I disclose the following facts:

1. I am an employee of BBK, the entity with which the State Bar intends to contract for BBK Of Counsel Gary V. Schons to serve as a Special Deputy Trial Counsel Administrator pursuant to Rule 2201 of the Rule of Procedure of the State Bar of California. I first became employed by BBK in May 2015. I accepted my appointment to the State Bar of California Board of Trustees in September 2018.
2. BBK, a large law firm with approximately 200 attorneys in ten offices, has more than 10 employees.



3. I am a non-equity partner of BBK, and have no ownership interest in BBK.
4. I am not an officer or director of BBK. I have no management rights, and no involvement in the firmwide management of BBK.
5. I did not participate, directly or indirectly, in formulating any bid or other effort by BBK to obtain the contract with the State Bar of California for Mr. Schons to serve as Special Deputy Trial Counsel Administrator, or in any discussions with either the State Bar or BBK regarding the engagement. In fact, I had no knowledge that the State Bar was considering contracting with BBK until I was advised by OGC that it was analyzing whether a conflict existed.
6. I have not had and will not have any involvement at all in the State Bar's engagement with BBK. I have been advised by OGC that, pursuant to California Business & Professions Code section 6036(a), I should disqualify myself from making, participating in the making of, or attempting to influence any decisions of the Board of Trustees or its committees regarding the engagement with BBK. I will follow that advice.