



The State Bar *of California*

OPEN SESSION AGENDA ITEM 54-141 MARCH 2019 FINANCE & PLANNING COMMITTEE ITEM III.A.

DATE: March 14, 2019

TO: Members, Finance & Planning Committee
Members, Board of Trustees

FROM: John Adams, Chief Financial Officer

SUBJECT: Q4 Investment Report and Client Security Fund (CSF) Report

EXECUTIVE SUMMARY

In adherence with the Board Book, Section 4, Tab 4.1, Article 1, Section 4, the Office of Finance has prepared the accompanying financial reports (unaudited) for the 4th quarter ended December 31, 2018 for the Board's review. For the 4th quarter, the financial report consists of two separate reports: Investment Report and Client Security Fund Report.

BACKGROUND

None

DISCUSSION

The Financial Report for the 4th quarter ended December 31, 2018 is composed of two separate reports: Investment Report, and Client Security Fund Report.

The Financial Report is on the consent agenda for the Board's March 14, 2019 meeting.

FISCAL/PERSONNEL IMPACT

None

RULE AMENDMENTS

None

BOARD BOOK AMENDMENTS

None

STRATEGIC PLAN GOALS & OBJECTIVES

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

RECOMMENDATIONS

The staff recommends that the Board of Trustees approve the following resolution:

RESOLVED that the Board of Trustees approve the 2018 Fourth Quarter Financial Report in the form this day before the Board, for the twelve months ended December 31, 2018, as certified by the Chief Financial Officer, and on file with the San Francisco office of the State Bar.

ATTACHMENT(S) LIST

- A. Q4 - Investment Report
- B. Q4 - Client Security Fund Report



The State Bar *of California*

OFFICE OF FINANCE

Date: March 14, 2019

To: Members, Finance and Planning Committee
Members, Board of Trustees

From: John Adams, Chief Financial Officer

Subject: Annual Investment Report as of December 31, 2018

As of December 31, 2018, the market value of the investment portfolio was \$109.2 million compared to \$106.9 million as of December 2017. This increase is due to the replenishment of the LAIF account with funds collected during December 2018 of the most recent billing season. We also note the increase in interest rates during this period of time. For example, the quarterly interest rate on deposits in the Local Agency Investment Fund increased from 1.20 percent for the quarter ended December 31, 2017 to 2.40 percent for the quarter ended December 31, 2018.

The time-weighted average rate of return of the investment portfolio for the reported quarter is 2.43 percent compared to 0.90 percent in the comparable quarter of 2017. Actual investment earnings increased from \$1.77 million in 2017 to \$2.88 million in 2018 due to higher interest rates.

Because rates have been rising, the Market Value of the securities held by Wells Fargo is less than Original Cost. The State Bar's investment strategy is to purchase bonds and hold them until maturity to realize the full value of the investment. Unrealized gains or losses in the portfolio would only be recognized if a security was sold before maturity. Temporary price changes or market value fluctuations in the portfolio of held-to-maturity securities are not recorded in the Bar's quarterly financials.

**The State Bar of California
Investment Report Summary
December 31, 2018**

<u>Asset Group</u>	<u>Original Cost</u>	<u>Market Value</u>	<u>Portfolio Percentage</u>	<u>Weighted Average Yield</u>
Wells Fargo Custody Account:				
- Government Bonds	49,974,629	\$ 49,892,765	45.7%	2.43%
- Corporate Bonds	21,712,016	21,638,316	19.8%	2.64%
- Common Stock-Metlife Inc.	-	128,660	0.1%	N.A
Subtotal-Securities, Bonds and Notes	71,686,645	71,659,741	65.6%	
Interest Receivable	-	293,813	0.3%	NA
Local Agency Investment Fund	37,211,271	37,211,271	34.1%	2.21%
Total	\$ 108,897,915	\$ 109,164,825	100.0%	2.43%

Unrealized Gain/(Loss):

Market Value of Portfolio -Securities, Bonds and Notes	\$ 71,659,741
Original Cost of Portfolio -Securities, Bonds and Notes	71,686,645
Unrealized Gain/(Loss)	<u><u>\$ (26,904)</u></u>

State Bar of California
Investment Report - Wells Fargo Custody Account
Balance as of December 31, 2018

<u>Issuer</u>	<u>CUSIP #</u>	<u>S&P Rating</u>	<u>Type</u>	<u>Par Value</u>	<u>Cost</u>	<u>Mkt Value</u>	<u>Interest Receivable</u>	<u>Unrealized Gain/(Loss)</u>	<u>Yield</u>	<u>Trade/ Purchase Date</u>	<u>Maturity Date</u>
FANNIE MAE (FNMA)	3135G0H63	AA+	Government Agency	3,125,000	3,109,137.50	3,122,531.25	18,261.72	13,393.75	1.94%	02/28/18	01/28/19
FREDDIE MAC (FHLMC)	3134G3A91	AA+	Government Agency	3,125,000	3,094,562.50	3,099,812.50	15,677.08	5,250.00	2.08%	02/28/18	08/22/19
FANNIE MAE (FNMA)	3135G0R39	AA+	Government Agency	3,125,000	3,068,959.38	3,083,593.75	5,815.97	14,634.37	2.12%	02/28/18	10/24/19
FED FARM CREDIT BANK	3133EJCN7	AA+	Government Agency	3,125,000	3,117,268.75	3,109,531.25	24,617.19	(7,737.50)	2.20%	02/28/18	02/14/20
FED HOME LN BANK	313383HU8	AA+	Government Agency	3,125,000	3,091,484.38	3,088,937.50	2,886.28	(2,546.88)	2.24%	02/28/18	06/12/20
FED HOME LN BANK	313370US5	AA+	Government Agency	3,125,000	3,171,512.50	3,141,531.25	27,452.26	(29,981.25)	2.27%	02/28/18	09/11/20
FREDDIE MAC (FHLMC)	3134GSCP8	AA+	Government Agency	3,125,000	3,120,312.50	3,122,875.00	8,246.53	2,562.50	2.54%	02/28/18	11/23/21
STATE OF CALIFORNIA	13063DAD0	AA-	Municipal Bond	3,035,000	2,993,268.75	2,990,658.65	17,959.61	(2,610.10)	2.73%	02/28/18	04/01/22
FREDDIE MAC (FHLMC)	3134GBC83	AA+	Government Agency	3,125,000	3,064,843.75	3,076,093.75	3,054.69	11,250.00	2.55%	02/28/18	06/14/22
FED HOME LN BK	313383VN8	AA+	Government Agency	3,000,000	2,994,696.00	2,986,410.00	18,000.00	(8,286.00)	2.00%	04/04/18	09/13/19
FED HOME LN BK	3130ADUY6	AA+	Government Agency	3,000,000	3,007,116.00	2,995,680.00	20,416.67	(11,436.00)	2.45%	04/04/18	09/21/20
FED HOME LN BK	3130ADW32	AA+	Government Agency	3,500,000	3,506,636.00	3,493,630.00	22,152.08	(13,006.00)	2.53%	04/13/18	09/28/20
FED HOME LN BK	3130ADXP2	AA+	Government Agency	3,000,000	3,005,430.00	2,994,480.00	16,741.67	(10,950.00)	2.45%	04/04/18	10/09/20
FED HOME LN BK	313383WD9	AA+	Government Agency	3,000,000	3,070,491.00	3,048,780.00	29,166.66	(21,711.00)	3.13%	04/04/18	09/09/22
FED HOME LN BK	313383WD9	AA+	Government Agency	3,500,000	3,580,419.50	3,556,910.00	34,027.78	(23,509.50)	3.13%	04/04/18	09/09/22
FED HOME LN MTG CORP	3134GBA69	AA+	Government Agency	3,000,000	2,978,490.00	2,981,310.00	28,104.17	2,820.00	2.38%	04/04/18	08/09/22
TOTAL GOVERNMENT BONDS AND NOTES:				50,035,000.00	49,974,628.51	49,892,764.90	292,580.36	(81,863.61)	2.43%		
APPLE INC	037833BF6	AA+	Corporate Bond	3,215,000	3,201,014.75	3,179,184.90	11,574.00	(21,829.85)	2.81%	02/28/18	05/13/22
APPLE INC	037833BS8	AA+	Corporate Bond	3,125,000	3,093,868.75	3,088,375.00	25,000.00	(5,493.75)	2.60%	02/28/18	02/23/21
CHEVRON CORP.	166764BG4	AA-	Corporate Bond	3,125,000	3,071,040.63	3,064,687.50	8,203.13	(6,353.13)	2.67%	02/28/18	05/16/21
MICROSOFT CORP	594918AH7	AAA	Corporate Bond	3,125,000	3,169,646.88	3,146,125.00	23,437.50	(23,521.88)	2.43%	02/28/18	10/01/20
MICROSOFT CORP	594918BP8	AAA	Corporate Bond	3,125,000	3,016,371.88	3,035,843.75	19,240.45	19,471.87	2.62%	02/28/18	08/08/21
TOYOTA MOTOR CREDIT CORP	89236TEC5	AA-	Corporate Bond	1,500,000	1,452,690.00	1,436,580.00	10,122.92	(16,110.00)	2.90%	02/28/18	09/08/22
TOYOTA MOTOR CREDIT CORP	89236TEL5	AA-	Corporate Bond	1,625,000	1,607,792.88	1,578,395.00	20,718.75	(29,397.88)	2.94%	02/28/18	01/11/23
WELLS FARGO BANK, NA	94988J5D5	A+	Corporate Bond	3,125,000	3,099,590.63	3,109,125.00	5,620.66	9,534.37	2.43%	02/28/18	05/24/19
TOTAL CORPORATE BONDS :				21,965,000.00	21,712,016.40	21,638,316.15	123,917.41	(73,700.25)	2.64%		
BRIGHTHOUSE FINANCIAL INC	10922N103	N/A	Common Stock	-	-	8,107.68	-	8,107.68		08/07/17	N/A
METLIFE INC	59156R108	N/A	Common Stock	-	-	120,552.16	1,233.12	120,552.16		11/01/09	N/A
TOTAL COMMON STOCKS:				-	-	128,659.84	1,233.12	128,659.84			
Cash				-	-	-	-				
TOTAL INVESTMENT HELD BY WELLS FARGO:				72,000,000	71,686,645	71,659,741	417,731	(26,904)			



The State Bar *of California*

OFFICE OF FINANCE

Date: March 14, 2019

To: Members, Finance and Planning Committee
Members, Board of Trustees

From: John Adams, Chief Financial Officer

Subject: Client Security Fund Report for the Year Ended December 31, 2018

Attached for your review are a series of reports for the applications activity within the Client Security Fund for the quarter ended December 31, 2018. These reports include:

- Status on Applications Activity for the quarter ended December 31, 2018
- Applications Aging Report
- Cumulative Applications Aging Report
- 24 Month Rolling Average of Applications Paid out Ratio
- Analysis of New Applications Paid, Rejected or Withdrawn

As of December 31, a total of 993 new applications in the amount of \$24.1 million were filed. The number of applications filed is increased by 6.1 percent compared to 936 applications filed last year. The application amount increased by \$6.6 million, or 37.8 percent compared to \$17.5 million filed in 2017.

For the year ended December 31, 2018, total applications processed are 1,533 for approximately \$24.3 million. Total payouts for 2018 are \$9.2 million, increased by \$2.8 million compared to \$6.4 million last year. Total applications pending for processing as of December 31, 2018 are 2,891 in the amount of \$51.7 million, and for the same period in 2017, there were 3,431 pending applications in the amount of \$52.3 million.

For this report, the Office of Finance estimated the application payout amount based on a rolling average of 24 month historical applications payout ratio, currently 38.18 percent. Total applications outstanding as of December 31, 2018 are 2,891 for \$51.7 million. Applying the rolling average applications payout ratio to the outstanding application amounts, the estimated application payout as of December 31, 2018 is \$19.7 million and there is a decrease of \$3.7 million or 15.8 percent compared to \$23.4 million last year. As of December 31, 2018, cash and investments available for applications reimbursement in the CSF are approximately \$0.4 million compared to \$3.1 million last year.

for reimbursements. In May of 2018 the Board amended the reserve policy for CSF and allocated an additional \$1.7 million for CSF reimbursements. Also in May, the Board transferred \$250,000 from the Lawyer Assistance Program reserve to CSF. This resulted in a budget of \$9.15 million for reimbursements in 2018.

The reason less applicants were paid in 2018, as compared to 2017, even though more funds were paid out for reimbursements, was because the average reimbursement amount was higher in 2018. In 2018 the average payment was \$10,434, while in 2017 the average payment was \$7,043.

Key indicators for the CSF application process as of December 31, 2018 and 2017 are shown below:

Key Indicator Descriptions	2018 Q4	2017 Q4	Attachment
New Applications Received # / \$ (in million)	993/\$24.1	936/\$17.5	1
Total Applications Processed # / \$ (in million)	1,533/\$24.3	1,758/\$16.3	2
% of Paid Applications in # to total in process ¹	19.8%	17.5%	1
% of Paid Applications in \$ to total in process ²	12.0%	9.3%	1
Total Payouts \$ (in million)	\$ 9.2	\$ 6.4	2
Total Applications Pending for Processing # / \$ (in million)	2,891/\$51.7	3,431/\$52.3	2
24-month Rolling Average Payout Ratio	38.18%	44.63%	4
Estimated CSF Application Liabilities (in million)	\$19.7	\$23.4	2
Net Assets as of December 31 (in million)	\$0.4	\$3.1	3

¹ # of total in process represents pending application from prior year plus additional application filed in current fiscal year.

² \$ of total in process represents total application amount pending for processing from prior year plus additional applications filed in current fiscal year.

ATTACHMENT B: Client Security Fund Report

Attachment 1

THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
STATUS ON APPLICATIONS ACTIVITIES
December 31, 2018
YEAR TO DATE ACTIVITIES

	<u>\$1 - 2,500</u>		<u>\$2,501 - 5,000</u>		<u>\$5,001 - 10,000</u>		<u>\$10,001 - 25,000</u>		<u>\$25,001 - 49,999</u>		<u>\$50,000</u>		<u>\$50,001 - 100,000</u>		<u>TOTAL</u>		(A)	(B)
	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount		
Prior Years' Applications	619	1,076,978	1,180	4,512,618	697	5,067,985	450	7,452,327	156	5,550,093	44	2,346,880	285	25,884,054	3,431	51,890,935		
New Applications	183	296,395	226	871,441	166	1,278,874	151	2,583,694	69	2,434,662	28	1,053,800	170	15,570,774	993	24,089,640		
Paid Applications	(170)	(285,871)	(306)	(1,125,902)	(201)	(1,319,496)	(107)	(1,478,714)	(38)	(1,208,217)	(11)	(585,898)	(44)	(3,146,742)	(877)	(9,150,840)	19.8%	12.0%
Rejected Applications	(12)	(34,011)	(11)	(117,181)	(13)	(217,570)	(15)	(569,205)	(8)	(455,330)	(2)	(210,982)	(17)	(2,417,745)	(78)	(4,022,024)	1.8%	5.3%
Withdrawn Applications	(138)	(223,387)	(142)	(553,162)	(100)	(756,814)	(73)	(1,138,844)	(34)	(1,200,697)	(21)	(1,050,000)	(70)	(6,233,657)	(578)	(11,156,561)	13.1%	14.7%
Applications Outstanding	482	\$ 830,104	947	\$ 3,587,814	549	\$ 4,052,979	406	\$ 6,849,258	145	\$ 5,120,511	38	\$ 1,553,800	324	\$ 29,656,684	2,891	\$ 51,651,150		
New applications % to total	18.43%	1.23%	22.76%	3.62%	16.72%	5.31%	15.21%	10.73%	6.95%	10.11%	2.82%	4.37%	17.12%	64.64%	100.00%	100.00%		
Applications paid % to total	19.38%	3.12%	34.89%	12.30%	22.92%	14.42%	12.20%	16.16%	4.33%	13.20%	1.25%	6.40%	5.02%	34.39%	100.00%	100.00%		
Applications rejected or withdrawn % to total	22.87%	1.70%	23.32%	4.42%	17.23%	6.42%	13.41%	11.25%	6.40%	10.91%	3.51%	8.31%	13.26%	57.00%	100.00%	100.00%		
Applications outstanding % to total	16.67%	1.61%	32.76%	6.95%	18.99%	7.85%	14.04%	13.26%	5.02%	9.91%	1.31%	3.01%	11.21%	57.42%	100.00%	100.00%		

(A) % of # of paid applications, rejected applications and withdrawn applications to # of total applications in process in 2018 Q4.

(B) % of paid applications, rejected applications and withdrawn applications in \$ to the total applications \$ in process in 2018 Q4.

THE STATE BAR OF CALIFORNIA

Attachment 2

CLIENT SECURITY FUND

APPLICATIONS AGING REPORT

AS OF DECEMBER 31, 2018

<u>Year</u> <u>Application</u> <u>Filed</u>	<u>Gross Applications Prior</u>		<u>Current Year</u>		<u>Applications Paid</u>		<u>Applications Rejected or</u> <u>Withdrawn</u>		<u>Total Applications</u> <u>Processed</u>		<u>Applications Outstanding</u>	
	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>
2010	8	89,553			(5)	(56,370)	(2)	(26,130)	(7)	(82,500)	1	7,053
2011	35	542,818			(12)	(50,129)	(13)	(249,369)	(25)	(299,498)	10	243,320
2012	110	1,054,877			(49)	(236,679)	(29)	(352,092)	(78)	(588,771)	32	466,106
2013	151	2,034,064			(41)	(467,198)	(21)	(282,593)	(62)	(749,791)	89	1,284,273
2014	610	8,402,140			(222)	(2,571,747)	(98)	(2,965,915)	(320)	(5,537,662)	290	2,864,478
2015	809	11,497,777			(479)	(5,014,808)	(99)	(2,625,969)	(578)	(7,640,777)	231	3,857,000
2016	893	12,958,212			(49)	(402,607)	(35)	(382,265)	(84)	(784,872)	809	12,173,340
2017	815	15,207,770			(8)	(52,151)	(150)	(2,910,770)	(158)	(2,962,921)	657	12,244,849
2018		103,724	993	24,089,641	(12)	(299,151)	(209)	(5,383,483)	(221)	(5,682,634)	772	18,510,731
TOTAL	3,431	51,890,935	993	24,089,641	(877)	(9,150,840)	(656)	(15,178,586)	(1,533)	(24,329,426)	2,891	51,651,150

Applications Outstanding **51,651,150**

Estimated Application Payout Ratio **38.18%**

Estimated Application Payouts **\$19,720,409**

THE STATE BAR OF CALIFORNIA

Attachment 3

CLIENT SECURITY FUND

CUMULATIVE APPLICATIONS AGING REPORT

AS OF DECEMBER 31, 2018

<u>Year Application</u> <u>Filed</u>	<u>Gross Applications</u> <u>Prior Years</u>		<u>Current Year</u>		<u>Applications Paid</u>		<u>Applications Rejected</u> <u>and Withdrawn</u>		<u>Total Applications</u> <u>Processed</u>		<u>Applications</u> <u>Outstanding</u>	
	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount
2010-2010	8	89,553			(5)	(56,370)	(2)	(26,130)	(7)	(82,500)	1	7,053
2010-2011	43	632,371			(17)	(106,499)	(15)	(275,499)	(32)	(381,998)	11	250,373
2010-2012	153	1,687,248			(66)	(343,178)	(44)	(627,591)	(110)	(970,769)	43	716,479
2010-2013	304	3,721,312			(107)	(810,376)	(65)	(910,184)	(172)	(1,720,560)	132	2,000,752
2010-2014	914	12,123,452			(329)	(3,382,123)	(163)	(3,876,099)	(492)	(7,258,222)	422	4,865,230
2010-2015	1,723	23,621,229			(808)	(8,396,931)	(262)	(6,502,068)	(1,070)	(14,898,999)	653	8,722,230
2010-2016	2,616	36,579,441			(857)	(8,799,538)	(297)	(6,884,333)	(1,154)	(15,683,871)	1,462	20,895,570
2010-2017	3,431	51,787,211			(865)	(8,851,689)	(447)	(9,795,103)	(1,312)	(18,646,792)	2,119	33,140,419
2010-2018	3,431	51,890,935	993	24,089,641	(877)	(9,150,840)	(656)	(15,178,586)	(1,533)	(24,329,426)	2,891	51,651,150
	3,431	51,890,935	993	24,089,641	(877)	(9,150,840)	(656)	(15,178,586)	(1,533)	(24,329,426)	2,891	51,651,150

Net Asset in Client Security Fund:

As of 12/31/2018 \$ **431,495**

THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
24 MONTH ROLLING AVERAGE APPLICATIONS PAIDOUT RATIO
JANUARY 2017 THROUGH DECEMBER 18

Attachment 4

Month Covered	<u>PAID APPLICATIONS</u>		<u>REJECTED/ WITHDRAWN APPLICATIONS</u>	<u>PROCESSED</u>
	Amount	Monthly Average Payout Ratio	Amount	Amount
Jan17	405,553	45.15%	492,720	898,272
Feb17	126,013	21.18%	469,086	595,099
Mar17	384,925	23.99%	1,219,448	1,604,373
Apr17	161,862	19.45%	670,175	832,036
May17	495,727	51.74%	462,373	958,100
Jun17	400,335	15.43%	2,193,931	2,594,266
Jul17	177,823	39.77%	269,311	447,133
Aug17	1,186,834	58.35%	856,114	2,042,948
Sept17	432,036	30.12%	1,002,515	1,434,552
Oct17	964,259	40.61%	1,410,095	2,374,354
Nov17	1,663,556	74.56%	567,737	2,231,293
Dec17	3,000	0.93%	319,999	322,999
Jan18	779,798	55.03%	637,128	1,416,926
Feb18	730,370	33.45%	2,350,278	3,080,648
Mar18	307,896	15.34%	1,707,335	2,015,231
Apr18	486,908	30.10%	1,135,316	1,622,223
May18	555,611	21.38%	2,043,237	2,598,848
June18	1,084,605	65.34%	575,374	1,659,979
July18	233,352	15.31%	1,290,696	1,524,048
Aug18	843,046	35.92%	1,503,880	2,346,926
Sep18	651,994	41.59%	915,793	1,567,787
Oct18	1,822,797	58.99%	1,266,955	3,089,752
Nov18	989,509	40.05%	1,481,305	2,470,815
Dec18	674,954	65.13%	361,308	1,036,263
Total:	<u>15,562,763</u>		Total: <u>25,202,108</u>	<u>40,764,871</u>
24 Month Rolling Average PaidOut Ratio:			38.18%	

**THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
ANALYSIS OF NEW APPLICATIONS PAID, REJECTED
OR WITHDRAWN, ESTIMATED
APPLICATIONS PAYOUTS PER ACTIVE ATTORNEY**

Attachment 5

December 31, 2018

	<u>1ST QTR</u>	<u>2ND QTR</u>	<u>3RD QTR</u>	<u>4TH QTR</u>
Beginning Balance	3,431	3,357	3,263	3,063
Add: Reinstated Applications and New Applications	286	296	226	185
Less: Paid / Rejected or Withdrawn	360	390	426	357
TOTAL	3,357	3,263	3,063	2,891
 APPLICATIONS OUTSTANDING AMT.	 \$52,916,179	 \$ 54,416,376	 54,173,601	 51,651,149
# Of Active Attorneys	190,017	190,686	190,595	191,353
Cost Per Active Attorney	\$278	\$285	\$284	\$270
 ESTIMATED APPLICATIONS LIAB.				
Applications Payout Ratio	40.88%	39.40%	37.48%	38.18%
Estimated Application Amount *	\$21,633,350	\$21,437,363	\$20,304,234	\$19,718,806
# of Active Attorneys	190,017	190,686	190,595	191,353
Cost per Active Attorney	\$114	\$112	\$107	\$103
 APPLICATION ACTIVITIES IN %:				
 NEW APPLICATIONS - YTD				
1 - 2,500	1.07%	1.03%	1.10%	1.23%
2,501 - 5,000	2.83%	3.32%	3.49%	3.62%
5,001 - 10,000	6.34%	6.04%	5.28%	5.31%
10,001 - 25,000	12.47%	11.46%	10.82%	10.73%
25,001 - 49,999	10.84%	10.77%	9.84%	10.11%
50,000	10.19%	4.99%	4.50%	4.37%
50,001 - 100,000	56.27%	62.39%	64.97%	64.64%
 APPLICATIONS PAID - YTD				
1 - 2,500	2.90%	3.62%	3.74%	3.12%
2,501 - 5,000	8.86%	11.55%	15.79%	12.30%
5,001 - 10,000	11.27%	16.86%	16.77%	14.42%
10,001 - 25,000	18.63%	19.76%	18.55%	16.16%
25,001 - 49,999	13.92%	14.20%	16.66%	13.20%
50,000	6.84%	8.25%	6.59%	6.40%
50,001 - 100,000	37.58%	25.77%	21.91%	34.39%
 REJ./WDRAWN - YTD				
1 - 2,500	2.25%	1.79%	1.80%	1.70%
2,501 - 5,000	3.49%	3.63%	4.15%	4.42%
5,001 - 10,000	5.55%	5.89%	6.41%	6.42%
10,001 - 25,000	10.89%	10.67%	10.12%	11.25%
25,001 - 49,999	6.84%	6.78%	11.09%	10.91%
50,000	6.94%	11.83%	9.47%	8.31%
50,001 - 100,000	64.03%	59.41%	56.96%	57.00%
 APPLICATIONS O/S-CUM. - YTD				
1 - 2,500	1.85%	1.69%	1.59%	1.61%
2,501 - 5,000	8.23%	7.74%	7.04%	6.95%
5,001 - 10,000	9.46%	8.72%	8.10%	7.85%
10,001 - 25,000	14.02%	13.56%	13.54%	13.26%
25,001 - 49,999	10.76%	10.90%	9.66%	9.91%
50,000	4.72%	3.04%	3.05%	3.01%
50,001 - 100,000	50.95%	54.35%	57.03%	57.42%
 NET ASSET, END OF PERIOD	 \$ 8,106,505	 \$ 6,324,955	 \$ 4,352,814	 \$ 431,495

*Based upon 24 month rolling weighted average of applications payout ratio (See page 4)

State Bar of California
Client Security Fund
Ten Years Comparison
2009-2018

	2009		2010		2011		2012		2013		2014		2015		2016		2017		2018	
	# of Applications	Amount	# of Applications	Amount	# of Applications	Amount	# of Applications	Amount	# of Applications	Amount	# of Applications	Amount	# of Applications	Amount	# of Applications	Amount	# of Applications	Amount	# of Applications	Amount
Applications outstanding, begin of year	710	11,871,541	2,997	22,124,850	6,112	34,513,647	7,345	45,327,104	7,801	55,518,550	6,342	50,528,936	5,674	45,917,719	5,465	48,951,330	4,253	49,998,241	3,431	51,428,009
Prior year's outstanding application adjustment	-	15,532	-	100,260	-	194,064	-	108,564	-	243,483	-	596,474	-	1,002,816	-	239,189	-	220,308	-	462,926
New Applications	3,028	19,469,661	3,875	23,231,936	3,411	26,086,578	2,767	25,112,748	2,228	22,825,372	1,554	20,056,066	1,178	16,412,024	1,120	16,831,403	936	17,544,886	993	24,089,640
TOTAL APPLICATIONS	3,738	31,356,734	6,872	45,457,046	9,523	60,794,289	10,112	70,548,416	10,029	78,587,404	7,896	71,181,476	6,852	63,332,559	6,585	66,021,922	5,189	67,763,435	4,424	75,980,575
Less: Processed Applications:																				
Paid	378	3,461,950	267	3,331,124	1,534	7,819,854	1,466	6,870,643	1,999	11,054,352	1,152	9,031,386	821	6,012,453	1,793	8,037,525	909	6,401,923	877	9,150,840
Rejected	52	1,930,226	138	2,869,032	54	2,585,888	112	3,092,632	68	3,096,196	116	4,575,621	74	2,929,880	76	2,627,266	86	3,038,795	78	4,022,024
Withdrawn	311	3,839,708	355	4,743,243	590	5,061,443	733	5,066,591	1,620	13,907,920	954	11,656,750	492	5,438,896	463	5,358,890	763	6,894,708	578	11,156,561
TOTAL PROCESSED APPLICATIONS	741	9,231,884	760	10,943,399	2,178	15,467,185	2,311	15,029,866	3,687	28,058,468	2,222	25,263,757	1,387	14,381,229	2,332	16,023,681	1,758	16,335,426	1,533	24,329,425
Applications outstanding, end of year	2,997	22,124,850	6,112	34,513,647	7,345	45,327,104	7,801	55,518,550	6,342	50,528,936	5,674	45,917,719	5,465	48,951,330	4,253	49,998,241	3,431	51,428,009	2,891	51,651,150
Applications outstanding inc./(dec.) over beginning balance	2,287	10,253,309	3,115	12,388,797	1,233	10,813,457	456	10,191,446	(1,459)	(4,989,614)	(668)	(4,611,217)	(209)	3,033,611	(1,212)	1,046,911	(822)	1,429,768	(540)	223,141
Applications payout ratio		39.38%		33.67%		42.22%		48.17%		41.60%		37.68%		37.96%		46.22%		44.63%		38.18%
Est. applications payouts		\$8,712,766		\$11,620,745		\$19,137,103		\$26,743,285		\$21,020,037		\$17,301,796		\$18,581,925		\$23,109,187		\$22,952,320		\$19,720,409
Net Application (Liab) Assets, end of year		(6,033,801)		(9,298,430)		(7,215,281)		(15,638,262)		(15,444,495)		(15,093,242)		(16,381,485)		(21,682,917)		(19,878,995)		(19,288,914)
Net Assets per Financial Statement		2,678,965		\$2,322,315		11,921,822		11,105,023		5,575,542		2,208,554		2,200,440		1,426,270		3,073,325		431,495
Estimated Increase/(Decrease) in Application Payouts:		3,883,423		2,907,979		7,516,358		7,606,182		(5,723,248)		(3,718,241)		1,280,128		4,527,262		(156,867)		(3,231,911)