

**February 2, 2021 Bridget Gramme to SAGE Subcommittee:**

I think the key issues I would like to focus on are those that we set forth in the ATILS report--

- 1) who will be the regulator?
- 2) how will this be funded?
- 3) how do we build in consumer input into the governance structure?
- 4) How will this be enforced/ what does discipline look like?

I also think we need a good discussion / primer on risk based regulation (perhaps John can give this to us based on his Utah experience). Everything I've read and studied about prior models is that our existing prescriptive model of regulation is not going to work here. We need to be clear about the regulatory objectives of assessing harm to consumers and not focus on everything that is allowed/not allowed. To me I see this across all professions. Regulation cannot keep up with technology. We can't proactively think about what kinds of new things might be coming. Thinking about how to audit and proactively regulate the market for legal services and target areas of harm seems like a more efficient and better process than trying to keep up with who is allowed in and then relying on complaints/ investigations once harm has occurred.

Please let me know if you'd like me to provide more info or clarify these comments.

**February 2, 2021 Jim Sandman to SAGE Subcommittee:**

I have the following recommendations:

1. I believe the subcommittee should start with Utah's sandbox model. The Utah model is thoughtful, well-developed, pragmatic, and efficient. It is not overly bureaucratic or complicated. It strikes an appropriate balance between encouraging innovation in the delivery of legal services and protecting the public. I don't see any obvious deficiencies in the Utah model and think the subcommittee should avoid reinventing the wheel.
2. To the extent that the ATILS sandbox recommendations are not already included in the Utah model, I would incorporate them.
3. In assessing the cons of a sandbox, as required by the CTJG charter, I recommend that the subcommittee consider the approach Arizona has taken, which avoids a sandbox in favor of direct reporting to and oversight by the state Supreme Court. I question, however, whether the Arizona approach is feasible in a state the size of California.