



The State Bar of California

Minutes

Committee on Special Discipline Case Audit

September 9, 2021

11:00 a.m.–1:00 p.m.

Zoom Webinar

Time meeting commenced: 11:04 a.m.
Time meeting adjourned: 12:54 p.m.
Chair: José Cisneros
Members present at roll call: Mark Broughton, Hailyn Chen, Ruben Duran, Sean SeLegue, Melanie Shelby
Members present: N/A
Also present: Richard Schauffler, Leah Wilson
Committee coordinator: Louisa Ayrapetyan

I. CHAIR'S REPORT

A. Roll Call

The Committee on Special Discipline Case Audit was called to order by Chair, José Cisneros. Roll call was taken and a quorum was established.

B. Call for Public Comment

Chair, José Cisneros called for public comment, inquiring as to whether there were person(s) in attendance who wished to comment on any agenda item. There were no members of the public in attendance who wished to speak on any agenda item.

CLOSED SESSION

II. BUSINESS

A. Discussion Regarding the Study and Development of Recommendations to Regulate Attorney Client Trust Accounts

Chair, José Cisneros stated that pursuant to Government Code section 11126(a)(1) and 11126(c)(2) the committee will move into closed session to discuss audit of closed Office of Chief Trial Counsel files. The committee returned to open session and reported that there is no action to report. No further discussion took place in open session. The committee returned to open session to continue discussion of the open session agenda item.

OPEN SESSION

III. BUSINESS

B. Discussion Regarding the Study and Development of Recommendations to Regulate Attorney Client Trust Accounts

Richard Schauffler, consultant, and Steven Moawad, Special Assistant to the Chief Trial Counsel, presented on client trust accounts, how they are regulated currently by the State Bar of California, and how other state bars and international attorney regulatory bodies regulate client trust accounts. In addition, Mr. Schauffler presented information on other audit programs being implemented by local and state governments. Committee members identified a need for additional information including:

- A need to look at the client trust account programs in place in other large states.
- A need to for further information on the use of external auditors as part of a client trust account regulatory program.
- A need to find out what the profile of “high-risk” accounts looks like in other state bar programs.
- A need to find out what CLE requirements exist currently in California for client trust account management.
- A need to gather data from other state programs on staffing levels, and to be able to estimate staffing needed if the State Bar adopts an audit program.
- A need to develop a cost model for a random audit program
 - Gather staffing/salary information from the Office of Research and Institutional Accountability
 - Estimate the number of accounts based on data from other states
 - Build table to assumptions and model, such that committee members can conduct “what if” thought experiments by varying assumptions

In addition, the committee discussed support tools for attorneys including:

- Reminders, aids, or checklists for ensuring proper handling of client trust accounts.
- Self-assessment tools.
- Short videos providing tips on how to properly handle client trust accounts.

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