



**CLOSING THE JUSTICE GAP WORKING GROUP -
SUBCOMMITTEE ON THE STRUCTURE AND GOVERNANCE,
EVALUATION/ENFORCEMENT FOR A REGULATORY SANDBOX**

ACTION SUMMARY

Monday, August 25, 2021

1:00 p.m.–3:00 p.m.

Teleconference

The State Bar of California

Questions regarding any agenda item should be directed to the Committee Coordinator, Lauren McCurdy at 415-538-2107, 180 Howard Street, San Francisco, CA 94105, or Co-Chairs Merri Baldwin or John Lund at 415-538-2116. Working Group members are requested to notify the Committee Coordinator as early as possible in advance of the meeting if they wish to remove any item/s from any consent agenda.

Subcommittee Members: Andrew Arruda, Merri Baldwin (Co-Chair); Judge Wendy Chang; Daniel Grunfeld; Eric Helland; John Lund (Co-Chair); Wendy Musell; and James Sandman

Others Present: Justice Tucher, Greg Fortescue, Donna Hershkowitz, Randall Difuntorum, Mimi Lee, Andrew Tuft, Angela Marlaud, Lauren McCurdy, Brady Dewar, Bridget Gramme, Melanie Lawrence, Anna, Melissa Johnson, Samara Weiner, Alain Kinlay, Danny Abir, Mariko Yoshihara, Michelle M, Ying, Peter Groom, Reza Mikhchi, Leonard Sansanowicz, Tony Sipp, Arah Homampour, Scot, Olivier Tallieu, and Charles Gillig.

The order of business is approximate and subject to change.

Members of the public may access this meeting as follows:

Zoom Link: <https://calbar.zoom.us/j/98114616937>

Call-In Number: 669-900-9128

Webinar ID: 981 1461 6937

OPEN SESSION

I. CO-CHAIRS' REPORT

A. Roll Call

B. Public Comment

Leonard Sansanowicz and Olivier Tallieu gave public comment.

C. Announcements

None.

D. Staff Report

None.

E. Approval of Open Session Action Summary from the July 19, 2021 Meeting

The open session action summary from the July 19, 2021 meeting was approved (5-0-3).

II. DISCUSSION

A. Discussion and Possible Action on a Subcommittee Recommendation for the Structure and Governance of a Sandbox Regulatory Authority

Ms. Baldwin gave an oral report and led a discussion on the resolutions regarding the structure and governance of a sandbox regulatory authority. Following discussion, the subcommittee voted to approve recommendations 1, 2, and 4 as revised and advance it to the working group for adoption (8-0-0). Recommendations 3, 5, and 6 were tabled until the next meeting.

Approved Recommendations

- 1. The Sandbox Regulator will be established by the Legislature as a [public corporation] within the judicial branch of government, serving as an arm of the California Supreme Court.*
- 2. Reliable initial funding will be necessary to ensure adequate resources for monitoring, data collection and analysis, and consumer protection.*
- 4. The Sandbox Regulator should have a volunteer board with responsibility for all operations of the office, including licensing and discipline recommendations made to the Supreme Court. The Sandbox Regulator should also have a staff which handles administrative operations, makes assessments, and monitors sandbox participants under the Board's supervision.*

B. Discussion and Possible Action on a Subcommittee Recommendation for a Risk-Based Approach to Regulation for a Sandbox

Mr. Lund gave an oral report and led a discussion on risk-based approach to regulation for a sandbox. Following discussion, the subcommittee voted to approve recommendation 1 as revised and advance it to the working group for adoption (8-0-0). Additionally, the subcommittee voted to approve recommendation 2 as revised and advance it to the working group for adoption (7-1-0). Recommendations 3–5 were tabled until the next meeting.

Approved Recommendations

- 1. For purpose of admission to the sandbox, sandbox regulation should assess the risk of the following harms to consumers:*
 - a. The consumer receives inaccurate or inappropriate legal services.*

- C. Discussion and Possible Action on Recommendations Concerning Rules and Laws that an Applicant May Seek to Waive for Services Delivered in the Sandbox**
This item was carried over.