



The State Bar of California

OPEN SESSION AGENDA ITEM 701 OCTOBER 2023

DATE: **October 23, 2023**

TO: **Members, Board of Trustees**

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

SUBJECT: **Proposed Amended Conflict of Interest Code for the Board of Trustees of the
State Bar of California: Return from Public Comment and Request for Approval
to Submit to Supreme Court; Discussion of Additional Conflicts and Ethics
Principles and Processes for Trustees**

EXECUTIVE SUMMARY

At its July 2023 meeting, the Board of Trustees approved for submission to the Chief Justice of California a proposed amended Conflict of Interest Code for the Board of Trustees of the State Bar of California. Thereafter, the Chief Justice made several revisions to the proposed amended Code and directed the State Bar to circulate the proposed amended Code for public comment for thirty days, and to resubmit the proposed amended Code, with any additional revisions, to the Court by October 30, 2023.

This agenda item summarizes the eight public comments received, and suggests no revisions based on those comments. Staff proposes several minor additional revisions to further clarify the Code and reflect recent amendments to Business and Professions Code section 6036(b), and requests approval to submit the revised proposed amended Code to the Court for review and approval. Further public comment is not required or recommended because the changes are not substantive or are required to conform to applicable law.

Additionally, this item suggests for the Board's consideration and discussion next steps regarding personal conflicts, fiduciary duties, and accountability.

BACKGROUND

Submission of Initial Proposed Amended Code to Chief Justice and Receipt of Revisions and Further Instructions from Chief Justice

At its July 2023 meeting, the Board of Trustees approved for submission to the Chief Justice a proposed amended Code. The proposed amended Code incorporated the model conflict of interest code promulgated by the Fair Political Practices Commission (FPPC)¹, known as Regulation 18730, and would require Trustees to report financial interests on their Form 700s more comprehensively than is required under the current Code. These proposed changes conformed the Code to the Political Reform Act, including by requiring Trustees to report all financial interests that may foreseeably be affected materially by any decision made or participated in by Trustees. The July 2023 Board agenda item concerning the initial submission of the proposed amended Code is available [here](#). The State Bar submitted its proposed amended Code to the Chief Justice on July 24, 2023.

On August 31, 2023, the Chief Justice returned the proposed amended Code to the State Bar with several revisions and directed the State Bar to circulate the revised amended Code for public comment for 30 days, and to resubmit the proposed amended Code, with any additional revisions, to the Court by October 30, 2023. The Chief Justice's revisions, shown in redline the [Chief Justice's August 31, 2023 communication to the State Bar](#), did not change the substantive effect of the proposed amended Code. Rather, the revisions included helpful clarifications to the prefatory language of the Code, including an explanation that the disclosure and recusal obligations under Regulation 18730 are in addition those set forth in Business and Professions Code section 6036. (Essentially, to comply with both the Code and Business and Professions Code section 6036, when a Trustee has a conflict with respect to any State Bar decision, they must disqualify themselves from participating in the decision and state that they are doing so due to a disqualifying financial or personal interest; specifying the particular financial or personal interest is not required.)

Additionally, the Chief Justice added an introductory paragraph to Appendix B of the Code summarizing applicable definitions of "investments," "income," and reportable real property interests. These additions did not change the effect of the proposed amended Code, but rather summarized the definitions of these terms already applicable to the Code. The Chief Justice also made clarifying stylistic revisions to Disclosure Category 2 in the proposed amended Code.

Reportable Financial Interests and Disclosure Categories Under the Proposed Amended Code

The reportable financial interests and disclosure categories have not substantively changed since the proposed amended Code was first presented to the Board in July. Please refer to the [July Board Agenda Item](#) (pages 4–9) for a detailed summary of the proposed amended Code, and explanation of the various reporting requirements.

¹ The FPPC is an independent state commission that has primary responsibility for administration and enforcement of the Political Reform Act, which regulates campaign financing conflicts of interest, lobbying, and governmental ethics.

DISCUSSION

PUBLIC COMMENT

As directed by the Chief Justice, the State Bar circulated the proposed amended Code for public comment for thirty days, with the comment period ending on October 5, 2023. The State Bar received eight comments. A compilation of all comments received is attached at Attachment C.

Six of the commenters agreed with the proposed recommendation to adopt the proposed amended Code. Of these commenters, only one offered any additional comment related to the Code under consideration. This commenter stated that, if a Trustee must recuse themselves from a decision, it would be better to either require full disclosure of the interest, or, alternatively, to make disclosure of the interest optional. However, under Business and Professions Code section 6036(d), when recusing themselves from a decision, a Trustee must disclose the interest, but it is sufficient for the Trustee to state that they have a disqualifying financial or personal interest, without specifying the exact interest. Thus, consistent with the applicable statute, staff does not recommend making any change to the proposed amended Code based upon this rule. However, Trustees have discretion to make more detailed disclosures when recusing themselves.

One commenter disagreed with the proposed recommendations, and included a comment stating that if a Trustee has any conflict of interest at all, then they must resign. This suggestion is not consistent with the Political Reform Act or the State Bar Act, which provide for recusal from decision-making where there is a conflict, rather than removal from office or resignation. Accordingly, staff does not recommend making any changes to the proposed amended Code based on this comment.

Finally, one commenter indicated agreement with the proposed amended Code only if modified. This commenter stated that “the idea is great,” but expressed concern with the complexity of the Code, and asked whether all Trustees are attorneys, and if not, whether they are expected to hire an attorney for advice. Staff does not recommend any changes to the proposed amended Code based on this comment. While the proposed amended Code is admittedly detailed, that is because the FPPC model code which it incorporates comprehensively addresses all applicable provisions of the Political Reform Act and FPPC regulations. As directed by the Board at its July meeting, to assist Trustees in understanding and following the Code, State Bar staff will revise the Board of Trustees Policy Manual once the Code is approved by the Chief Justice to include an accurate summary of the Code. Additionally, regular training on the Code will be provided, and the Office of General Counsel is available to advise all Trustees on compliance with the Code and regarding other conflicts questions. Accordingly, State Bar staff does not recommend any changes to the proposed amended Code based on the public comments received.

Additional Changes Recommended to Code

While State Bar staff does not recommend any changes based on the public comments received, it recommends several minor changes be made to the proposed amended Code

before returning it to the Chief Justice, consistent with the direction in her August 31, 2023, letter to resubmit the proposed Amended Code with any additional revisions.

The recommended changes are set forth in redline in Attachment A. Specifically, staff recommends the following:

- Modifying the reference to Business and Professions Code section 6036 in the prefatory statement at page 1 of the proposed amended Code to: (a) conform to that statute's requirement of recusal from "participating in the making of" decisions as well from "making" decisions where there is a conflict, and (b) conform to the recently enacted [fee bill \(SB 40\)](#)'s amendment of section 6036² to require recusal when a Trustee has a "personal interest" (rather than, under prior law, "personal nonfinancial interest") that "may" (rather than, under prior law, "will") prevent the Trustee from applying disinterested skill and undivided loyalty to the State Bar. Because this amendment does not go into effect until January 1, 2024, this recommended change includes language noting the effective date and a footnote setting forth the section 6036 recusal obligations in effect until January 1, 2024 (Attachment A at 1.)
- Reciting in the prefatory statement at page 1 that Trustees are additionally subject to the conflicts of interest provisions relating to contracts set forth in Government Code sections 1090 to 1097.2, effective January 1, 2024. SB 40 amended Business and Professions Code section 6001 to expressly state that Trustees and employees of the State Bar are subject to these provisions, which generally provide, subject to certain exceptions, that Trustees and employees shall not be financially interested in any contract made by them in their official capacity or by any board of which they are members. Prior to this amendment, it was unclear whether these contract conflict of interest provisions applied to the State Bar, though the State Bar, in an abundance of caution, has nonetheless followed them. (Attachment A at 1.)
- Modifying the prefatory language in Appendix B, added by the Chief Justice's August 31, 2023, revisions, describing categories of investments that are not reportable to conform to FPPC regulations as described in the FPPC's [Form 700 instructions](#) at page 8. (Attachment A at 25.)
- Correcting minor typographical errors added by the Chief Justice's August 31, 2023, revisions in Disclosure Categories 2 and 3 in Appendix B. (Attachment A at 25.)
- Adding as an additional example of the types of businesses that do business with the State Bar—and in which any financial interests are therefore reportable under Disclosure Category 3—" [e]mployee benefit providers and administrators of employee benefits, personnel consulting services and employment agencies." This category of

² This amendment, as well as the amendment to Business and Professions Code section 6001 discussed in the next bullet point, was pursued by the State Bar as part of the [legislative priorities](#) approved by the Board at its May 2023 meeting.

businesses is also listed as a disclosure category for certain State Bar employees in the Conflict of Interest Code for Designated Employees of the State Bar of California. (Attachment A at 26.)

Because these recommended changes either correct typographical errors, are necessary to conform to applicable law and regulations, or, with respect to the last change, simply add a clarifying example to the non-exhaustive list of the types of businesses that do business with the State Bar, State Bar staff does not recommend requesting further public comment based on these changes, nor is further public comment required.

With these additional changes, staff recommends that the Board approve the revised proposed amended Code for submission to the Chief Justice for her review and approval.

Discussion of Next Steps and Additional Conflicts of Interest Principles and Processes

After approval of an amended Code by the Chief Justice, and as directed by the Board at its July 2023 meeting, staff will update the sections of the Board of Trustees Policy Manual addressing Financial Disclosures (Section 11.1.1) and Disqualification (11.1.2), as well as the appendix setting forth the Code (Appendix C) to reflect the updated Code.

At the July 2023 meeting, the Board of Trustees also directed staff to develop and implement training on the implemented Code and to submit to the Board of Trustees a plan for training on the new Code once it is adopted, and for future trainings complying, at a minimum, with Government Code section 11146.3; this would require training of new Trustees within six months of their assumption of office, and of all Trustees at least once every two calendar years thereafter. State Bar staff is currently communicating with an FPPC trainer who provided a pilot training that was well-received by a group of State Bar employees in May 2023 regarding her presenting a training at the January 2023 Board meeting, and will report on those plans and plans for future trainings at the November board meeting.

The proposed amended Code, while referencing the obligation under Business and Professions Code section 6036 to recuse from decision-making where there is a personal nonfinancial interest, mainly concerns Trustees' obligations to disclose financial interests on their Form 700s and to recuse themselves from decision-making where financial interests are reasonably foreseeable to be materially affected. This results from the fact that the Political Reform Act, which mandates adoption of the Code and its content, concerns only financial interests, and does not address personal conflicts or other ethics concerns, such as fiduciary duties. Further, both the Code and Business and Professions Code section 6036 impose legal obligations on individual Trustees, but do not address the Board's ability to hold itself and its members accountable for compliance with these obligations.

Given feedback from the Board and the work of the Ad Hoc Committee on Accountability & Oversight Reforms on conflicts-related reforms, the Office of General Counsel recommends that these issues be addressed through revisions to the [Board of Trustees Policy Manual](#) to be presented to the Board in November.

Specifically, the Office of General Counsel would develop proposed updates to Section 11 (Ethics and Conflicts of Interest) that would:

- Capture the best practices under which the Office of General Counsel would inform the Board chair and/or vice-chair regarding conflicts of interest advice provided to individual Trustees, if advice results in conclusion that a potential conflict supporting disqualification exists and the Trustee does not intend to disqualify;
- Set forth a procedure by which the Board could require a Trustee to recuse themselves from a Board decision in which they have a conflict in the event the Trustee declined to follow advice from the Office of General Counsel to recuse;
- Establish grounds and procedures for Board admonishment, sanction, and/or censure of Trustees who violate conflict of interest or ethical obligations or principles;
- Establish grounds and procedures for Board referral to Trustees' appointing authorities for potential removal for cause for serious misconduct; and
- Expand on the already existing concepts of personal conflicts and fiduciary duties, including the duty of loyalty.

The Office of General Counsel recommends that the Board direct staff to develop and propose revisions to the Board of Trustees Policy Manual to address these issues, after discussion at the October 23, 2023, meeting. In so doing, staff would also consider revisions incorporating the State Bar's recently adopted organizational values of Clarity, Investing in Our People, Excellence, Respect, and Growth Mindset, which may inform and be implicated by ethics and conflict of interest principles.

FISCAL/PERSONNEL IMPACT

None

AMENDMENTS TO RULES

None

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

After an amended Conflict of Interest Code for the Board of Trustees of the State Bar of California is approved by the Chief Justice of California or her designee, staff will update the sections of the Board of Trustees Policy Manual addressing Financial Disclosures (Section 11.1.1) and Disqualification (11.1.2), as well as the appendix setting forth the Code (Appendix C), as directed by the Board of Trustees at its July 2023 meeting.

STRATEGIC PLAN GOALS & IMPLEMENTATION STEPS

Goal 4. Protect the Public by Engaging Partners

- d. 1. Collaborate with the legislature and other stakeholders to increase public protection and support the State Bar's mission.

RECOMMENDATIONS

Should the Board of Trustees concur in the proposed action, passage of the following resolution is recommended:

RESOLVED, that the Board of Trustees approves for submission to the Chief Justice of California, and directs staff to submit by no later than October 30, 2023, the proposed amended Conflict of Interest Code for the Board of Trustees of the State Bar of California set forth in Attachments A and B; and it is

FURTHER RESOLVED, that the Board of Trustees directs staff to develop for its consideration at its November 2023 meeting proposed revisions to the Board of Trustees Policy Manual setting forth accountability and enforcement procedures for the Board and explaining Trustees' obligations with respect to personal conflicts and fiduciary duties.

ATTACHMENTS LIST

- A.** Proposed Amended Conflict of Interest Code for the Board of Trustees of the State Bar of California (Redline version showing changes from version circulated for public comment)
- B.** Proposed Amended Conflict of Interest Code for the Board of Trustees of the State Bar of California (Clean version)
- C.** Compilation of Public Comments Received

CONFLICT OF INTEREST CODE FOR THE BOARD OF TRUSTEES OF THE STATE BAR OF CALIFORNIA

(Current Version Approved by the Chief Justice of California or Designee on _____)

The Political Reform Act (Government Code section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, California Code of Regulations, title 2, section 18730 ("Regulation 18730"), which contains the terms of a standard conflict of interest code.

The State Bar of California has incorporated the terms of Regulation 18730 set forth below (and any future amendments thereto as may be duly adopted by the Fair Political Practices Commission), to constitute the amended Conflict of Interest Code for the Board of Trustees of the State Bar of California. The provisions of Regulation 18730, which appear below, along with this and the following page, Appendix A (Designated Positions of the Board of Trustees of the State Bar of California), Appendix B (Disclosure Categories for the Members of the Board of Trustees of the State Bar of California), and Appendix C (Privileged Information Withheld from a Statement of Economic Interests), constitute the complete Conflict of Interest Code for the Board of Trustees of the State Bar of California.

The disqualification obligations set forth in Sections 9 and 9.5 of Regulation 18730 are in addition to those set forth in Business and Professions Code section 6036, as that section or any other provision of the State Bar Act (Bus. & Prof. Code, § 6000, et seq.) concerning disqualification due to conflicts of interest may be amended from time to time. Effective January 1, 2024, uUnder Business and Professions Code section 6036, Trustees must disqualify themselves from making, participating in the making of, or attempting to influence any decisions of the State Bar of California (1) when the Trustee has a financial interest and it is reasonably foreseeable that the interest may be affected materially by the decision; or (2) when the Trustee has a personal ~~nonfinancial~~ interest that ~~will~~ may prevent the Trustee from applying disinterested skill and undivided loyalty to the State Bar in making or participating in the making of the decision.¹

Effective January 1, 2024, pursuant to California Business and Professions Code section 6001, subdivision (e)(3), Trustees are additionally subject to the conflicts of interest provisions relating to contracts set forth in Government Code sections 1090 to 1097.2, inclusive, and are deemed state officers thereunder. These provisions generally provide, subject to certain exceptions, that state officers shall not be financially interested in any contract made by them in their official capacity or by any board of which they are members.

¹ Under the version of Business and Professions Code section 6036 in effect through December 31, 2023, Trustees must disqualify themselves from making, participating in the making of, or attempting to influence any decision of the Board of Trustees or a committee thereof (1) when the Trustee has a financial interest and it is reasonably foreseeable that the interest may be affected materially by the decision; or (2) when the Trustee has a personal nonfinancial interest that will prevent the Trustee from applying disinterested skill and undivided loyalty to the State Bar in making or participating in the making of the decision.

The disclosure procedure set forth in Section 10 of Regulation 18730 is in addition to that set forth in Business and Professions Code section 6036, subdivision (d). Under this provision, a Trustee disqualified, due to a conflict of interest, from making, participating in the making of, or attempting to influence any decisions of the State Bar of California shall (1) immediately disclose the interest, (2) withdraw from any participation in the matter, (3) refrain from attempting to influence another Trustee, and (4) refrain from voting. Consistent with section 6036, subdivision (d), it is sufficient that the Trustee indicate only the existence of a disqualifying financial or personal interest, without disclosing the specific interest.

All references to “designated employees” in Regulation 18730 shall be deemed to include Trustees of the State Bar of California. All references to “public official” in Regulation 18730 shall be deemed to include Trustees of the State Bar of California, notwithstanding Government Code section 82048, subdivision (b)(2). All references to “state administrative official” in Regulation 18730 shall be deemed to include Trustees of the State Bar of California, notwithstanding Government Code section 87400, subdivision (b).

Place of Filing of Statements of Economic Interests (Form 700)

Statements of Economic Interests (also known as Form 700) of members of the Board of Trustees shall be filed with the Board Secretary of the State Bar. The Board Secretary shall make and retain a copy of each statement and forward the originals to the clerk of the Supreme Court within ten days after the filing deadline or within ten days after receipt in the case of statements filed late. In the event of electronic filing of the statement, the Board Secretary shall submit an electronic copy of the filed statement to the Supreme Court, which shall be deemed an original.

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations)

§ 18730. Provisions of Conflict of Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Section 87300 or the amendment of a conflict of interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or

participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and

(C) The filing officer is the same for both agencies. [FN1]

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in the employee's statement of economic interests those economic interests the employee has which are of the kind described in the disclosure categories to which the employee is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which the employee foreseeably can affect materially through the conduct of the employee's office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code. [FN2]

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1. If a person reports for military service as defined in the Servicemember's Civil Relief Act, the deadline for the annual statement of economic interests is 30 days following the person's return to office, provided the person, or someone authorized to represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that the person is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of the person's military status.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided the person did not make or participate in the making of, or use the person's position to influence any decision and did not receive or become entitled to receive any form of payment as a result of the person's appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation the person did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12

months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property [FN3] is required to be reported, [FN4] the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;

4. A statement whether the fair market value of the investment or interest in real property equals or exceeds \$2,000, exceeds \$10,000, exceeds \$100,000, or exceeds \$1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported, [FN5] the statement shall contain:

1. The name and address of each source of income aggregating \$500 or more in value, or \$50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was \$1,000 or less, greater than \$1,000, greater than \$10,000, or greater than \$100,000;

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported, [FN6] the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than \$10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which the employee is a director, officer, partner, trustee, employee, or in which the employee holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on the member's or employee's statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

(D) This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$590.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$590 in a calendar

year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on the member's or employee's statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of the election to office through the date that the officer vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of the election to office through the date that the officer vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control.

This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while the official holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.
2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed \$500 at any given time.
4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of the officer's election to office through the date the officer vacates office, receive a personal loan of \$500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.
2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

- a. The date the loan was made.
- b. The date the last payment of \$100 or more was made on the loan.
- c. The date upon which the debtor has made payments on the loan aggregating to less than \$250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

- 1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
- 2. A loan that would otherwise not be a gift as defined in this title.
- 3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
- 4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.
- 5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use the employee's official position to influence the making of any governmental decision which the employee knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of the official's immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth \$2,000 or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth \$2,000 or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$590 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent the employee's participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make the employees' participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use the official's position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of the official's immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value \$1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that the employee should not make a governmental decision because the employee has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of the duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for the employee's agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political

Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

¹ Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

² See Section 81010 and Regulation 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

³ For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

⁴ Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

⁵ A designated employee's income includes the employee's community property interest in the income of the employee's spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

⁶ Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Credits

NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

HISTORY

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14).
Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).
4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).
7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).

8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).
9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of NOTE filed 8-7-92; operative 9-7-92 (Register 92, No. 32).
10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).
11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.
12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).
13. Editorial correction adding HISTORY 11 and 12 and deleting duplicate section number (Register 94, No. 17).
14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and NOTE filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).
15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).
16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).

17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).

18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of NOTE filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).

19. Editorial correction of subsection (a) (Register 98, No. 47).

20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).

21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).

22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).

23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of*

Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).

25. Editorial correction of HISTORY 24 (Register 2003, No. 12).

26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).

28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).

29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).

30. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 10-31-2008; operative 11-30-2008. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2008, No. 44).

31. Amendment of section heading and section filed 11-15-2010; operative 12-15-2010. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2010, No. 47).

32. Amendment of section heading and subsections (a)-(b)(1), (b)(3)-(4), (b)(5)(C), (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) and amendment of footnote 1 filed 1-8-2013; operative 2-7-2013. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2013, No. 2).

33. Amendment of subsections (b)(8.1)-(b)(8.1)(A), (b)(8.2)(E)3. and (b)(9)(E) filed 12-15-2014; operative 1-1-2015 pursuant to section 18312(e)(1)(A), title 2, California Code of Regulations. Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2014, No. 51).

34. Redesignation of portions of subsection (b)(8)(A) as new subsections (b)(8)(B)-(D), amendment of subsections (b)(8.1)-(b)(8.1)(A), redesignation of portions of subsection (b)(8.1)(A) as new subsections (b)(8.1)(B)-(C) and amendment of subsection (b)(9)(E) filed 12-1-2016; operative 12-31-2016 pursuant to Cal. Code Regs. tit. 2, section 18312(e). Submitted to

OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2016, No. 49).

35. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-12-2018; operative 1-11-2019 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2018, No. 50).

36. Amendment of subsections (b)(8.1)-(8.1)(A) filed 12-23-2020; operative 1-1-2021 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2020, No. 52).

37. Amendment of subsections (b)(3)(C), (b)(5)(C), (b)(5.5), (b)(5.5)(A)(2), (b)(7)(D), (b)(8)(A), (b)(8.1)(A), (b)(8.2)(A), (b)(8.2)(C)-(D), (b)(8.3)(A), (b)(9), (b)(9.3), (b)(9.5), (b)(10) and (b)(11) and footnote 5 filed 5-12-2021; operative 6-11-2021 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate

District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2021, No. 20).

38. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-20-2022; operative 1-19-2023 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2022, No. 51).

Appendix A – Designated Positions of the Board of Trustees of the State Bar of California

<u>Designated Position</u>	<u>Disclosure Categories</u>
Member of the Board of Trustees	1, 2, 3

Appendix B – Disclosure Categories for the Members of the Board of Trustees of the State Bar of California

In this appendix, “reportable investments” do not include: bank accounts; money market accounts; certificates of deposit; government bonds; diversified mutual funds, investments in retirement accounts, or insurance policies; cryptocurrency; commodities; annuities; shares in a credit union; government defined-benefit pension plans; certain interests held in a blind trust; or diversified mutual funds, or substantially similar funds, that meet the requirements of FPPC Regulation 18237. Reportable investments contained in retirement accounts are reportable, though the retirement accounts themselves are not. “Income” does not include salary received from governmental sources. “Positions” includes employee, partner, officer, director, trustee, and any other management position. An interest in real property used as the Trustee’s personal residence is only required to be reported if the residence is also used as a place of business.

Category 1

All reportable interests in real property located in California or within two miles of California.

Category 2

All reportable investments in, and sources of income (including loans, gifts, and travel payments) received from, or positions held in, persons or entities that are subject to the regulatory or licensing authority of the State Bar of California or have an application for a license or other certification or approval pending before the State Bar of California, including but not limited to: California attorneys and law firms, including without limitation law corporations and limited liability partnerships; law schools; law students; applicants to become licensed by the State Bar of California; California lawyer referral services; California legal aid providers; providers of mandatory continuing legal education in California; and financial institutions offering IOLTA (Interest on Lawyers’ Trust Accounts) accounts in California.

Category 3

All reportable investments in, and sources of income (including loans, gifts, and travel payments) received from, or positions held in, businesses that are located in or do business in California and manufacture, provide, or sell in California goods, services, supplies, materials, machinery or equipment of a type purchased or leased by the State Bar of California, including without limitation:

- (a) Legal services;
- (b) Legal publications and legal research providers;
- (c) Vendors of office supplies, office equipment, office furniture or business maintenance supplies or services, typesetting, printing or duplicating services or equipment, messenger services, mass mailing services, and security services;
- (d) Travel agencies, hotels, meeting planning services, event or meeting rental services,

- conference rooms or similar event rentals, airlines, car rental agencies, ground transport entities, vendors of meeting space, and food services;
- (e) Insurance companies, brokerage firms, carriers, holding companies, underwriters, brokers, solicitors, agents, adjusters, claims managers, actuaries, and third-party administrators;
 - (f) Banks and other financial institutions;
 - (g) Vendors of computers, computer hardware, maintenance, software, SaaS, data processing, web hosting, web design, computer consulting services, video or telecom supplies, services, consulting or equipment, providers of audio-visual production services and IT related services;
 - (h) Real estate brokerage firms, real estate agents, real estate brokers and companies that engage in property management, land development, construction or the acquisition or sale or leasing or subleasing of real property;
 - (i) Providers of consulting, rehabilitative, educational treatment or other services concerning the prevention, treatment or rehabilitation of persons suffering from chemical dependency; ~~and~~
 - (j) Public relations and/or media management consultants; and
 - (k) Employee benefit providers and administrators of employee benefits, personnel consulting services and employment agencies.-

Appendix C – Privileged Information Withheld from a Statement of Economic Interests

If a member of the Board of Trustees of the State Bar of California believes that disclosure in a Statement of Economic Interests of the name of a person or entity, the disclosure of which would otherwise be required under this Conflict of Interest Code for the Board of Trustees of the State Bar of California, would violate a legally recognized privilege under California law, the member may assert the privilege as follows:

- a) The member shall not report in the disclosure statement the information asserted to be privileged.
- b) The member shall file with the disclosure statement a separate statement under penalty of perjury that (1) advises the filing officer that a reportable person or entity has not been reported, (2) asserts the applicable privilege, (3) states the legal basis for the assertion, and (4) states, as specifically as possible without defeating the privilege, facts that demonstrate why the privilege is applicable.
- c) The Chief Justice of California, or designee(s), shall determine if the privilege is applicable. The Chief Justice of California, or designee(s), may request additional information from the member and consider additional evidence in camera. If the Chief Justice of California, or designee(s), determines that disclosure is required, the member shall disclose the unreported information within 15 days after the clerk of the Supreme Court mails notice of the determination.

CONFLICT OF INTEREST CODE FOR THE BOARD OF TRUSTEES OF THE STATE BAR OF CALIFORNIA

(Current Version Approved by the Chief Justice of California or Designee on _____)

The Political Reform Act (Government Code section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, California Code of Regulations, title 2, section 18730 (“Regulation 18730”), which contains the terms of a standard conflict of interest code.

The State Bar of California has incorporated the terms of Regulation 18730 set forth below (and any future amendments thereto as may be duly adopted by the Fair Political Practices Commission), to constitute the amended Conflict of Interest Code for the Board of Trustees of the State Bar of California. The provisions of Regulation 18730, which appear below, along with this and the following page, Appendix A (Designated Positions of the Board of Trustees of the State Bar of California), Appendix B (Disclosure Categories for the Members of the Board of Trustees of the State Bar of California), and Appendix C (Privileged Information Withheld from a Statement of Economic Interests), constitute the complete Conflict of Interest Code for the Board of Trustees of the State Bar of California.

The disqualification obligations set forth in Sections 9 and 9.5 of Regulation 18730 are in addition to those set forth in Business and Professions Code section 6036, as that section or any other provision of the State Bar Act (Bus. & Prof. Code, § 6000, et seq.) concerning disqualification due to conflicts of interest may be amended from time to time. Effective January 1, 2024, under Business and Professions Code section 6036, Trustees must disqualify themselves from making, participating in the making of, or attempting to influence any decision of the State Bar of California (1) when the Trustee has a financial interest and it is reasonably foreseeable that the interest may be affected materially by the decision; or (2) when the Trustee has a personal interest that may prevent the Trustee from applying disinterested skill and undivided loyalty to the State Bar in making or participating in the making of the decision.¹

Effective January 1, 2024, pursuant to California Business and Professions Code section 6001, subdivision (e)(3), Trustees are additionally subject to the conflicts of interest provisions relating to contracts set forth in Government Code sections 1090 to 1097.2, inclusive, and are deemed state officers thereunder. These provisions generally provide, subject to certain exceptions, that state officers shall not be financially interested in any contract made by them in their official capacity or by any board of which they are members.

¹ Under the version of Business and Professions Code section 6036 in effect through December 31, 2023, Trustees must disqualify themselves from making, participating in the making of, or attempting to influence any decision of the Board of Trustees or a committee thereof (1) when the Trustee has a financial interest and it is reasonably foreseeable that the interest may be affected materially by the decision; or (2) when the Trustee has a personal nonfinancial interest that will prevent the Trustee from applying disinterested skill and undivided loyalty to the State Bar in making or participating in the making of the decision.

The disclosure procedure set forth in Section 10 of Regulation 18730 is in addition to that set forth in Business and Professions Code section 6036, subdivision (d). Under this provision, a Trustee disqualified, due to a conflict of interest, from making, participating in the making of, or attempting to influence any decisions of the State Bar of California shall (1) immediately disclose the interest, (2) withdraw from any participation in the matter, (3) refrain from attempting to influence another Trustee, and (4) refrain from voting. Consistent with section 6036, subdivision (d), it is sufficient that the Trustee indicate only the existence of a disqualifying financial or personal interest, without disclosing the specific interest.

All references to “designated employees” in Regulation 18730 shall be deemed to include Trustees of the State Bar of California. All references to “public official” in Regulation 18730 shall be deemed to include Trustees of the State Bar of California, notwithstanding Government Code section 82048, subdivision (b)(2). All references to “state administrative official” in Regulation 18730 shall be deemed to include Trustees of the State Bar of California, notwithstanding Government Code section 87400, subdivision (b).

Place of Filing of Statements of Economic Interests (Form 700)

Statements of Economic Interests (also known as Form 700) of members of the Board of Trustees shall be filed with the Board Secretary of the State Bar. The Board Secretary shall make and retain a copy of each statement and forward the originals to the clerk of the Supreme Court within ten days after the filing deadline or within ten days after receipt in the case of statements filed late. In the event of electronic filing of the statement, the Board Secretary shall submit an electronic copy of the filed statement to the Supreme Court, which shall be deemed an original.

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations)

§ 18730. Provisions of Conflict of Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Section 87300 or the amendment of a conflict of interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or

participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and

(C) The filing officer is the same for both agencies. [FN1]

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in the employee's statement of economic interests those economic interests the employee has which are of the kind described in the disclosure categories to which the employee is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which the employee foreseeably can affect materially through the conduct of the employee's office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code. [FN2]

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1. If a person reports for military service as defined in the Servicemember's Civil Relief Act, the deadline for the annual statement of economic interests is 30 days following the person's return to office, provided the person, or someone authorized to represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that the person is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of the person's military status.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided the person did not make or participate in the making of, or use the person's position to influence any decision and did not receive or become entitled to receive any form of payment as a result of the person's appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation the person did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12

months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property [FN3] is required to be reported, [FN4] the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;

4. A statement whether the fair market value of the investment or interest in real property equals or exceeds \$2,000, exceeds \$10,000, exceeds \$100,000, or exceeds \$1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported, [FN5] the statement shall contain:

1. The name and address of each source of income aggregating \$500 or more in value, or \$50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was \$1,000 or less, greater than \$1,000, greater than \$10,000, or greater than \$100,000;

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported, [FN6] the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than \$10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which the employee is a director, officer, partner, trustee, employee, or in which the employee holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on the member's or employee's statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

(D) This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$590.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$590 in a calendar

year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on the member's or employee's statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of the election to office through the date that the officer vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of the election to office through the date that the officer vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control.

This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while the official holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.
2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed \$500 at any given time.
4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of the officer's election to office through the date the officer vacates office, receive a personal loan of \$500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.
2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

- a. The date the loan was made.
- b. The date the last payment of \$100 or more was made on the loan.
- c. The date upon which the debtor has made payments on the loan aggregating to less than \$250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

- 1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
- 2. A loan that would otherwise not be a gift as defined in this title.
- 3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
- 4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.
- 5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use the employee's official position to influence the making of any governmental decision which the employee knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of the official's immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth \$2,000 or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth \$2,000 or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$590 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent the employee's participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make the employees' participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use the official's position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of the official's immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value \$1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that the employee should not make a governmental decision because the employee has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of the duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for the employee's agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political

Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

¹ Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

² See Section 81010 and Regulation 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

³ For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

⁴ Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

⁵ A designated employee's income includes the employee's community property interest in the income of the employee's spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

⁶ Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Credits

NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

HISTORY

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14).
Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).
4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).
7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).

8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).
9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of NOTE filed 8-7-92; operative 9-7-92 (Register 92, No. 32).
10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).
11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.
12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).
13. Editorial correction adding HISTORY 11 and 12 and deleting duplicate section number (Register 94, No. 17).
14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and NOTE filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).
15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).
16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).

17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).

18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of NOTE filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).

19. Editorial correction of subsection (a) (Register 98, No. 47).

20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).

21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).

22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).

23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of*

Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).

25. Editorial correction of HISTORY 24 (Register 2003, No. 12).

26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).

28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).

29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).

30. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 10-31-2008; operative 11-30-2008. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2008, No. 44).

31. Amendment of section heading and section filed 11-15-2010; operative 12-15-2010. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2010, No. 47).

32. Amendment of section heading and subsections (a)-(b)(1), (b)(3)-(4), (b)(5)(C), (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) and amendment of footnote 1 filed 1-8-2013; operative 2-7-2013. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2013, No. 2).

33. Amendment of subsections (b)(8.1)-(b)(8.1)(A), (b)(8.2)(E)3. and (b)(9)(E) filed 12-15-2014; operative 1-1-2015 pursuant to section 18312(e)(1)(A), title 2, California Code of Regulations. Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2014, No. 51).

34. Redesignation of portions of subsection (b)(8)(A) as new subsections (b)(8)(B)-(D), amendment of subsections (b)(8.1)-(b)(8.1)(A), redesignation of portions of subsection (b)(8.1)(A) as new subsections (b)(8.1)(B)-(C) and amendment of subsection (b)(9)(E) filed 12-1-2016; operative 12-31-2016 pursuant to Cal. Code Regs. tit. 2, section 18312(e). Submitted to

OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2016, No. 49).

35. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-12-2018; operative 1-11-2019 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2018, No. 50).

36. Amendment of subsections (b)(8.1)-(8.1)(A) filed 12-23-2020; operative 1-1-2021 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2020, No. 52).

37. Amendment of subsections (b)(3)(C), (b)(5)(C), (b)(5.5), (b)(5.5)(A)(2), (b)(7)(D), (b)(8)(A), (b)(8.1)(A), (b)(8.2)(A), (b)(8.2)(C)-(D), (b)(8.3)(A), (b)(9), (b)(9.3), (b)(9.5), (b)(10) and (b)(11) and footnote 5 filed 5-12-2021; operative 6-11-2021 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate

District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2021, No. 20).

38. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-20-2022; operative 1-19-2023 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2022, No. 51).

Appendix A – Designated Positions of the Board of Trustees of the State Bar of California

<u>Designated Position</u>	<u>Disclosure Categories</u>
Member of the Board of Trustees	1, 2, 3

Appendix B – Disclosure Categories for the Members of the Board of Trustees of the State Bar of California

In this appendix, “reportable investments” do not include: bank accounts; money market accounts; certificates of deposit; government bonds; insurance policies; cryptocurrency; commodities; annuities; shares in a credit union; government defined-benefit pension plans; certain interests held in a blind trust; or diversified mutual funds, or substantially similar funds, that meet the requirements of FPPC Regulation 18237. Reportable investments contained in retirement accounts are reportable, though the retirement accounts themselves are not. “Income” does not include salary received from governmental sources. “Positions” includes employee, partner, officer, director, trustee, and any other management position. An interest in real property used as the Trustee’s personal residence is only required to be reported if the residence is also used as a place of business.

Category 1

All reportable interests in real property located in California or within two miles of California.

Category 2

All reportable investments in, sources of income (including loans, gifts, and travel payments) received from, or positions held in, persons or entities that are subject to the regulatory or licensing authority of the State Bar of California or have an application for a license or other certification or approval pending before the State Bar of California, including but not limited to: California attorneys and law firms, including without limitation law corporations and limited liability partnerships; law schools; law students; applicants to become licensed by the State Bar of California; California lawyer referral services; California legal aid providers; providers of mandatory continuing legal education in California; and financial institutions offering IOLTA (Interest on Lawyers’ Trust Accounts) accounts in California.

Category 3

All reportable investments in, sources of income (including loans, gifts, and travel payments) received from, or positions held in, businesses that are located in or do business in California and manufacture, provide, or sell in California goods, services, supplies, materials, machinery or equipment of a type purchased or leased by the State Bar of California, including without limitation:

- (a) Legal services;
- (b) Legal publications and legal research providers;
- (c) Vendors of office supplies, office equipment, office furniture or business maintenance supplies or services, typesetting, printing or duplicating services or equipment, messenger services, mass mailing services, and security services;
- (d) Travel agencies, hotels, meeting planning services, event or meeting rental services, conference rooms or similar event rentals, airlines, car rental agencies, ground transport entities, vendors of meeting space, and food services;

- (e) Insurance companies, brokerage firms, carriers, holding companies, underwriters, brokers, solicitors, agents, adjusters, claims managers, actuaries, and third-party administrators;
- (f) Banks and other financial institutions;
- (g) Vendors of computers, computer hardware, maintenance, software, SaaS, data processing, web hosting, web design, computer consulting services, video or telecom supplies, services, consulting or equipment, providers of audio-visual production services and IT related services;
- (h) Real estate brokerage firms, real estate agents, real estate brokers and companies that engage in property management, land development, construction or the acquisition or sale or leasing or subleasing of real property;
- (i) Providers of consulting, rehabilitative, educational treatment or other services concerning the prevention, treatment or rehabilitation of persons suffering from chemical dependency;
- (j) Public relations and/or media management consultants; and
- (k) Employee benefit providers and administrators of employee benefits, personnel consulting services and employment agencies.

Appendix C – Privileged Information Withheld from a Statement of Economic Interests

If a member of the Board of Trustees of the State Bar of California believes that disclosure in a Statement of Economic Interests of the name of a person or entity, the disclosure of which would otherwise be required under this Conflict of Interest Code for the Board of Trustees of the State Bar of California, would violate a legally recognized privilege under California law, the member may assert the privilege as follows:

- a) The member shall not report in the disclosure statement the information asserted to be privileged.
- b) The member shall file with the disclosure statement a separate statement under penalty of perjury that (1) advises the filing officer that a reportable person or entity has not been reported, (2) asserts the applicable privilege, (3) states the legal basis for the assertion, and (4) states, as specifically as possible without defeating the privilege, facts that demonstrate why the privilege is applicable.
- c) The Chief Justice of California, or designee(s), shall determine if the privilege is applicable. The Chief Justice of California, or designee(s), may request additional information from the member and consider additional evidence in camera. If the Chief Justice of California, or designee(s), determines that disclosure is required, the member shall disclose the unreported information within 15 days after the clerk of the Supreme Court mails notice of the determination.

Comment #	Name	Attorney or Public	Position on the Proposed amendments to Conflict of Interest Code (A/AM/D)*	Public Comments on the proposed amendments to Conflict of Interest Code
1	Shanon s. Singh	Public Member	A	
2	Alberto A Hernandez Vasquez	Attorney Member	A	
3	Michael David Erazo	Decline to State	A	<p>It all happened when I visited Central America, Honduras my parents took us to their country because we didn't know how to speak spanish so We were there for a four to five years we eventually end up with my aunt and Uncle from a different city so we stood there for a few years Until one day they were passing by selling cinnamon rolls so I end up buying one and end up getting me sick for a whole week when I went to the doctors the doctor told me that i caught Hep-C and they didn't have a cure for it so they gave Hep-A -Hep-B shots so they told me they didn't have an answer how to cure me so my aunt and my Uncle began starting doing certain homemade remedies at home eventually I end up getting well my parents ended picking us up bringing us back to the U,S so we arrive here to the United States like in Nov, 17 2001 So we went to my doctor wilches regular doctor here at home and he gave me a glimpse of happiness and told me I was immune to it during does years I was going to school once I got off from high school I end up being incarcerated and Send to Kern Valley, Delano state prison 2009 I arrived and my cell mate pass me some information about certain people being sick some virus going out there that was called Hep -C so I remember about it the last test I did with the doctor and what the doctor told me about it so i decided to see the CDC doctor and have a Specific test done for Hep-C at the following week I went back and the doctor doctor came out with a chart the doctor told me take a seat and he went foward and back with the paperwork the first time and he look at me so stunned he went for the second time at DNA chart and said immune to it He was amazed So I went back to the cell with the paperwork of immunity showing it to my cellmate eventually end up being released end up finding out that my immunity DNA was copy without my knowledge and sold for different prices.</p>

*A=Agree with proposal; AM=Agree if modified; D=Disagree with proposal

Comment #	Name	Attorney or Public	Position on the Proposed amendments to Conflict of Interest Code (A/AM/D)*	Public Comments on the proposed amendments to Conflict of Interest Code
				14th amendment section one deprive of a immunity.
4	Maureen McCool	Attorney Member	AM	I think the idea is great - but the code itself seems complicated. Is every trustee an attorney? If not is the trustee expected to hire an attorney for advise? I am not an expert in this field, but there seems to be a lot of loop holes if the trustee is not an expert, or does not have the means to hire an expert on every case/issue he/she will be dealing with.
5	George J. Gliaudys, Jr.	Attorney Member	A	
6	Anonymous	Attorney Member	D	Absolutely ridiculous! The Bar cannot seem to learn from the mess it has made year after year. If a Trustee has ANY conflict of interest, he/she must resign. We do NOT need more scandals.
7	Nadia Heshmatu	Public Member	A	Attorney in pro per should NOT be the same as the attorney of the record for himself or the third party in a lawsuit No attorney, judge or court personnel should have any Finacial interest in the case No attorney should have a court personnel that he bought off or paid off or bribed
8	Ann Ravel	Attorney Member	A	I support this Conflict of Interest Code, however I believe that it would be better to require disclosure, or use the term in Section 10: "the determination not to act may be accompanied by disclosure of the disqualifying interest" of the particular interest because including this will be greater incentive to comply with the provisions.

*A=Agree with proposal; AM=Agree if modified; D=Disagree with proposal