

**MEMBER/PUBLIC COMMENT**  
**The State Bar of California**  
**180 Howard Street, San Francisco, CA 94105-1639**  
<http://www.calbar.ca.gov>

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**PLEASE NOTE:** Publication for public comment is not, and shall not, be construed as a recommendation or approval by the Board of Governors of the materials published.

**SUBJECT:** Proposed Amendments to Conflict of Interests for  
the Board of Governors of the State Bar of California

**DISCUSSION:**

- **Background:**

Under the California Political Reform Act (the "Act"), all public agencies, including the State Bar, are required to adopt a conflict of interest code (code). A code designates positions required to file Statements of Economic Interests, and assigns disclosure categories specifying the types of interests to be reported. The Statement of Economic Interest is a public document intended to alert public officials and members of the public to the types of financial interests that may create conflicts of interests.

Typically, positions that involve voting on matters, negotiating contracts, or making recommendations on purchases without substantive review must be included in codes. Persons designated in the code must then disclosure of those types of investments, interests in real property, sources of income and business positions that may affect their decision-making. For example, the manager of an agency typically makes full disclosure (all investments, interests in real property, sources of income and business positions) because the manager makes decisions that affect a wide range of interests. Alternatively, a purchasing agent whose decision-making is limited to the purchase of office supplies may only be assigned disclosure of investments, sources of income and business positions in entities that provide office supplies of the type used by the agency.

- **Proposal:**

Proposed amendments to the Conflict of Interest Code for the Board of Governors of the State Bar of California ("CICBOG") would change the disclosure category for members of the Board of Governors and would make other non-substantive stylistic changes. Because day-to-day decisions on contracts were previously delegated to State Bar staff and the role of the Board was typically was as policy-maker, the existing disclosure category in the CICBOG requires a member of the Board to disclose a financial interest only if during a reporting period the Board of Governors has made a decision that

materially affects the member's investment, interest in real property, or income.

A recent resolution by the Board now requires its review or approval of contracts in excess of \$75,000 involving consulting services, capital equipment, or technology purchases. The proposed amendment to the CICBOG would change the financial interest that members of the Board must report and would require all Board members to disclose all investments, business positions and income, including gifts, loans and travel payments, from sources that provide consulting services, capital equipment, or information technology of the types utilized by the State Bar. (Gov. Code, § 82011, subd. (g).)

- **Any Known Fiscal/Personnel Impact:**

None.

- **Additional Information:**

Codes and amendments are not effective until they have been approved by an agency's code reviewing body (Gov. Code, § 87303). The code reviewing body for the State Bar's Board of Governors is the Chief Justice of the Supreme Court of California or his designee.

**ATTACHMENTS:**

- Agenda Item III.A, "Board of Governors Conflict of Interest Code, Proposed Amendment, Request for Public Comment"
- Agenda Item III.A, Attachment 1

**SOURCE:** Board Committee On Planning, Program Development and Budget  
May 14, 2010  
Agenda Item # III.A

**DEADLINE:** July 1, 2010

**DIRECT COMMENTS TO:**

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