



**Public Protection Administration of Justice Member Services  
Administration of Justice Member Services Public Protection  
Member Services Public Protection Administration of Justice**

## **The State Bar of California**

Annual Report | 2007

# The State Bar of California

## Annual Report | 2007

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*The State Bar of California believes in:*

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### ***Serving the Administration of Justice***

- The independence of the judiciary as the third branch of government.
- Equal access to justice.
- Civility and professionalism.

### ***Serving the Public***

- Helping attorneys better serve their clients.
- Protection of the public.
- Public service through pro bono representation.

### ***Serving Attorneys***

- Effective self-governance.
- Diversity and broad participation in bar membership and leadership.
- Fiscal responsibility.
- Protection of the legal profession by ensuring the highest levels of competency.

## MESSAGE FROM THE EXECUTIVE DIRECTOR

This past year marked the stepping off point for the State Bar following several years of groundwork on major initiatives related to member services and benefits while pursuing its core regulatory and public protection mission.

Our new Member Services Division, collaborating with many different departments of the bar, negotiated the agreements necessary to provide attorneys with one-stop shopping for products and services at competitive rates. This, in turn, led to the development and subsequent launch in early 2008 of a new members-only Web site where these services and products are offered.

The State Bar provided technical expertise to the legislature for Assembly Bill 1723, which revised the laws governing Interest on Lawyer Trust Accounts (IOLTA) and required attorney and law firms to deposit or invest their IOLTA accounts, as newly defined, in financial institutions that offer high yielding interest or dividend accounts, with the expectation that funding for legal aid for the indigent will increase significantly.

The State Bar also played a key role in crafting Assembly Bill 2301 that established a new “Justice Gap Fund” and authorized the State Bar to ask each lawyer to contribute \$100 through our dues statement. Going forward, those funds will be distributed to more than 100 approved non-profits throughout the state to support legal services for low-income Californians.

The Attorney Civility Task Force was created upon the recommendation of State Bar President Sheldon Sloan in response to a perceived decline in civility and professionalism within the legal profession. The Task Force was charged with studying and recommending one or more model sets of aspirational civility guidelines to complement and not replace existing standards. It is hoped that these voluntary guidelines may foster a level of civility and professionalism that exceed the minimum requirements of the mandated Rules of Professional Conduct as the best practices of civility in the practice of law in California.

The following pages contain additional highlights of the State Bar’s work over the past year. As we move forward, we plan to continue our focus on providing additional and affordable services, reaching out to Californians with consumer education and legal aid assistance, strengthening and improving our public protection measures and maintaining the bar’s role as a valuable resource for the California legal community and the public.



**Judy Johnson**

*Executive Director, The State Bar of California*



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***The purpose of the State Bar of California is to preserve  
and improve our justice system to assure a free and just  
society under law.***

*—The State Bar’s Mission Statement*

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As gatekeeper to the profession, the Office of Admissions develops and administers the California Bar Examination and the First-Year Law Students' Examination, conducts applicant moral character investigations, accredits and registers law schools and supports the Committee of Bar Examiners in carrying out its functions. It is funded entirely by applicant fees, the sale of study aids, accreditation fees and interest income.

## Accomplishments/New Developments

In 2007, the Office of Admissions:

- Certified 6,729 applicants as eligible for admission to practice law in California.
- Administered the **California Bar Examination** to 14,033 law students and out-of-state attorneys (5,547 in February and 8,486 in July) — 395 fewer applicants than in 2006. More than two-thirds of them took the examination on laptop computers, which had special security software installed in advance. Of those tested, 575 applicants with disabilities were granted testing accommodations and 34 more were permitted to start the July examination one day later than others to observe a Jewish holiday. In February, 37.5 percent of the applicants passed the examination, a slightly lower pass rate than in February 2006. In July, the pass rate was 55.3 percent, slightly higher than the July 2006 pass rate.

- Administered the **First-Year Law Students' Examination** to 1,498 law students — 793 in June, 705 in October — a smaller number than in 2006. (All students who are enrolled in an unaccredited law school or who attended college for less than two years before entering a California-accredited or ABA-approved law school must pass this exam after their first year of law study.) Thirty-five law students were granted testing accommodations for disabilities. In June, 18.4 percent of the law students passed the examination, slightly

lower than the previous June's pass rate. In October, the pass rate was 19 percent, also lower compared to the previous October's pass rate.

- Reduced the **processing time for determining whether an applicant has the moral character necessary for admission** to practice law in California. With new procedures in place, the number of moral character determinations pending for more than a year dropped from 131 to 45 in 2007, and the processing time for certain low-level applications was cut from six months to three or four months.

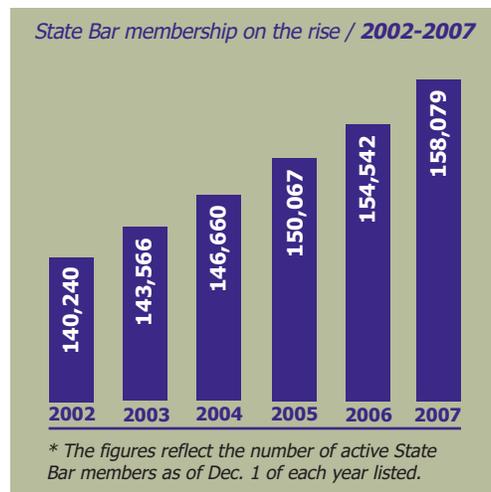
- Performed **background checks** on some 8,451 applicants — roughly 400 more than in 2006. Processed another 147 such applications from attorneys seeking to register under the Multijurisdictional Practice Rules, which allow out-of-state attorneys not licensed in California to practice here in limited circumstances. Reviewed 283 in-

vestigative reports (up from 212 in 2006) and conducted 112 informal conferences with moral character determination applicants (up from 70 in 2006). A total of 44 applicants (up from 30 in 2006) received adverse moral character determinations.

- Launched a **new grading process for the California Bar Examination**: In addition to a change in the scoring and tallying of answers on the exam, applicants can now see all of their grades on the exam, not just their averaged scores. New subject matter was added to the exam as well. And all failing applicants will now automatically receive their answers by mail after the release of results.

- Changed the admission rules to require that **graduates of foreign law schools** (those schools comparable to American law schools) complete an additional year of law study in certain subjects, including professional responsibility.

- Prepared to assume the **oversight and regulation** of California's 29 unaccredited law schools in 2008. Developed new legislatively mandated rules, guidelines and fees for the registration of such schools.



## CHIEF TRIAL COUNSEL

The State Bar's attorney discipline system is designed to protect the public, the courts and the profession from attorneys who violate the professional standards that govern attorney conduct in California. The bar's **Office of the Chief Trial Counsel (OCTC)** — which handles complaint intake, investigation/trials, central administration and probation — is the disciplinary enforcement arm of this system. Selected by the State Bar and confirmed by the State Senate, the Chief Trial Counsel (CTC) reports to the Board of Governors' Committee on Regulation, Admissions and Discipline (RAD) on substantive policy issues and is responsible for the overall structure, goals and management of OCTC.

■ The **Intake Unit** is the starting point for consumers seeking to file a complaint against an attorney. The unit, which consists of complaint analysts, attorneys and support staff, also provides membership information and responds to general questions regarding attorneys and State Bar programs. The toll-free Attorney Complaint Hotline (1-800-843-9053) offers an extensive "voice tree" aimed at assisting callers with common questions or problems. Complaints initially are evaluated to determine if they involve a violation of California's professional standards. Then, if a formal investigation is warranted, the file is transferred to **Investigations**. In addition, the Intake Unit addresses other matters, through education and informal mediation, which do not rise to the level of a formal investigation. And it processes information that attorneys must self-disclose (*Reportable Actions*) under Business and Professions Code § 6068(o).

■ If the matter is not resolved at the investigation stage, a State Bar attorney prepares a formal **Notice of Disciplinary Charges** and files it with the State Bar Court. The matter then proceeds to a Trials Unit team.

■ The **Trials Unit** teams are also responsible for the prosecution of conviction referral matters, probation revocation proceedings

and other regulatory proceedings within OCTC's jurisdiction. They handle reinstatement proceedings following disbarment or resignation and moral character admissions proceedings as well. And they are responsible for presenting matters on appeal before the State Bar Court Review Department.

■ OCTC also administers the bar's **Ethics School** and **minor offense diversion program**, and coordinates efforts to address the disposition of client files abandoned by deceased or missing attorneys.

### Accomplishments/New Developments

*In 2007, the Office of the Chief Trial Counsel:*

■ Met the goal of **completing 89 percent of all investigations within the six-month statutory guideline**. For the third year in a row, the number of investigations open for more than six months was below 400.

■ **Reduced the Audit and Review Unit's inventory of pending cases** to 163 cases, down from 502 in 2006. This unit conducts independent "second looks" at closed cases to determine if the facts warrant re-opening the case. The time to petition such reviews was

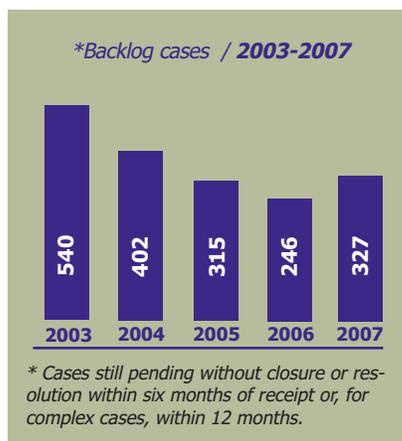
shortened to 45 days by the end of 2007, down from 150 days in 2006.

■ Spearheaded efforts to improve public protection and maintain high standards in the profession through **important discipline system reforms**.

■ Urged the California Supreme Court to permit **permanent disbarment of attorneys who commit the most serious misconduct**. Lawyers previously disbarred or who resigned would be required to pass the bar exam before being reinstated.

2003	2004	2005	2006	2007
116,800	89,823*	70,902*	72,916*	73,259*

*\*OCTC attributes the lower number of calls to: the reduced busy rate after 4 new trunk lines were added in 2004; and the increased use of the State Bar's Web site for information and forms. From July of 2004 to December of 2007, approximately 186,200 complaint forms were downloaded from the site.*



■ Proposed **changes to the Alternative Discipline Program (“ADP”)** for attorneys with substance abuse or mental health problems to better protect the public. Developed jointly with the State Bar Court, the modifications would establish eligibility criteria to keep the most serious offenders out of the program, make more information about ADP available to the public and allow more judicial oversight of ADP.

■ Developed an interim process — in response to concerns raised by the Supreme Court — to make recommendations regarding **whether the Court should accept or reject resignations** from attorneys with pending disciplinary proceedings or investigations. And proposed a new process that would **require resigning attorneys to admit or plead no contest to any pending charges** and to allow that information to be public.

## PROBATION

The Office of Probation monitors the probationary compliance of disciplined attorneys to California Supreme Court- and State Bar Court-issued orders. The Probation Unit handles all probation revocation motions and probation modification requests (Rules 550-554 of the Rules of Procedure), including modification requests of revocation conditions. The Probation Unit also monitors compliance with rule 9.20 of the California Rules of Court and with Agreements in Lieu of Discipline.

### **Accomplishments/ New Developments**

*In 2007, the Office of Probation:*

■ Took a **more aggressive approach** in supervising and enforcing probationary compliance — increasing its referrals to OCTC for prosecution to 115 (up from 26 in 2005 and 97 in 2006).

Office of Probation	2005	2006	2007
Files pending   reporting period end	800	857	940
Files opened	606	566	458
Files closed	559	481	377
Probation revocation motions filed	25	26	6
Referrals to OCTC for prosecution	26	97	115

■ Filed two briefs with the State Bar Court which, among other issues, **appealed the low level of discipline** ordered in two probation revocation motions. The Review Department doubled the discipline in one matter; the other is still pending.

■ Fully staffed the office for the first time since 2005.

## CLIENT SECURITY FUND

When an attorney steals from a client, the consequences can be devastating — to the legal profession as a whole as well as to the individual client. The **Client Security Fund** helps soften the blow by reimbursing victims up to \$50,000 for losses due to attorney theft or an act equivalent to theft. Financed with attorney dues, the fund is a cost-effective way of assisting victims for whom reimbursement would generally not be available from any other source. The fund also provides a unique opportunity to promote public confidence in the administration of justice and the integrity of the legal profession. The California fund continues to receive and process more applications per year than any other such fund in the United States.

### **Accomplishments/New Developments**

*In 2007, the Client Security Fund:*

■ Processed 1,023 claims to closure, and received 1,013 new applications, paying **more than \$4.3 million** on 607 approved claims.

■ Reimbursed a significant number of applicants who were victimized by attorneys engaged in particularly egregious large-scale immigration and credit repair fraud.

■ Developed a **plan to lower administrative costs**.

■ Streamlined the process for assisting the Office of

*“You have given me much more than money by your actions. You gave me some justice.”*  
— fund applicant, 2007

General Counsel with collection and enforcement of CSF decisions as money judgments.

■ Saved the fund several hundred thousand dollars (while still helping victims obtain maximum recovery) by encouraging victims to file probate claims first in cases involving deceased attorneys. The Client Security Fund claim is less when a victim is able to recoup most of his or her losses through a probate claim.

**Dollars Paid by Category in 2007 | \$4,352,110**

Misappropriation	\$2,269,119
Unearned Fees	\$1,967,923
Investments	\$0
Loans	\$115,068

**5-Year Summary of Applications Paid in Dollars**

2007	\$4,352,110
2006	\$5,299,061
2005	\$4,648,584
2004	\$5,681,455
2003	\$5,859,620

**Accomplishments/  
New Developments**

In 2007, the State Bar Court:

■ Filed 714 attorney disciplinary and regulatory matters and closed 540 attorney disciplinary and regulatory matters.

■ Continued to work with attorneys who suffer substance abuse and/or mental health issues in the **Alternative Discipline Program (“ADP”)**. The ADP seeks to identify and refer respondents with substance abuse or mental health problems to the State Bar’s Lawyer Assistance Program for treatment and rehabilitation.

■ Continued to publish the *California State Bar Court Reporter* containing the published opinions of the review department in attorney disciplinary and regulatory proceedings.

■ Began posting the State Bar Court calendar online at: <http://apps.statebarcourt.ca.gov/calendar/introduction.aspx>

■ Welcomed **Donald F. Miles** and **M. Lucy Armendariz** to the bench.



Donald F. Miles  
State Bar Court  
Hearing Dept., L.A.



M. Lucy Armendariz  
State Bar Court  
Hearing Dept., S.F.

**STATE BAR COURT**

The State Bar Court serves as the administrative arm of the California Supreme Court in the adjudication of disciplinary and regulatory matters involving California attorneys. It is the mission of the State Bar Court to hear and decide

cases fairly, correctly and efficiently for the protection of the public, the courts and the legal profession. The State Bar Court has the authority to impose public and private reprovations on California attorneys who are found to have violated the disciplinary provisions of the *California State Bar Act* or the *Rules of Professional Conduct* approved by the California Supreme Court. In cases involving more serious discipline, such as disbarment or suspension, the State Bar Court makes findings of fact and conclusions of law, then sends a recommendation for discipline to the California Supreme Court for review and adoption.

**2007 State Bar Court Closed Disciplinary Cases Dispositions**

Disbarment	55
Summary Disbarment	11
Suspension	170
Reprovals	95
Dismissal	34
Termination	64
Revoke Probation	4
Probation	0
Extend Probation	0
License to Practice Canceled	0
Admonition	0
Deny Petition/Application	0
<b>Total</b>	<b>435</b>

**GOVERNMENTAL AFFAIRS**

The State Bar retains government affairs services on a contract basis in order to maintain a relationship with the legislative and executive branches of government. Funded solely with

voluntary contributions, activities include:

- Identifying and tracking legislative bills that affect, or are of interest to, the State Bar.
- Advocating for the State Bar Board of Governors' positions on various non-ideological issues.
- Providing technical assistance and information to the governor and legislators (and their staffs) on issues of relevance to the practice of law, the legal profession and legal services consumers.
- Implementing education and assistance programs to increase state policymakers' understanding of the legal profession, the practice of law and the State Bar's role in the administration of justice.
- Performing similar tasks for the State Bar sections (funded with voluntary section funds).

**Accomplishments/New Developments**

*In 2007, the Office of Legal Services, Access and Fairness Programs:*

**The Legal Services Trust Fund Program (IOLTA)**

*The Legal Services Trust Fund was established by the Legislature in the early 1980s to provide money to help fund civil legal services for indigent Californians. By the end of 2007, more than \$255 million had been distributed to legal services programs serving the poor statewide.*

- Published the *Action Plan for Justice* — setting the agenda for the next few years on ways to increase legal services funding, expand self-help centers, encourage pro bono services and otherwise achieve true access to the legal system for low-income, vulnerable Californians.

The California Commission on Access to Justice spearheaded this effort at the request of the Assembly Judiciary Committee.

- Implemented **comparability for the Legal Services Trust Fund Program**. Lawyers must now hold their **Interest on Lawyer Trust Accounts (IOLTA)** at financial institutions that pay rates and charge fees on those accounts comparable to the rates and fees of similarly situated non-IOLTA accounts — resulting in significant increases in funding for legal aid for the indigent. This legislation was sponsored by the State Bar and carried by the Assembly Judiciary Committee [AB 1723], supplemented by new State Bar rules and an updated Supreme Court order.

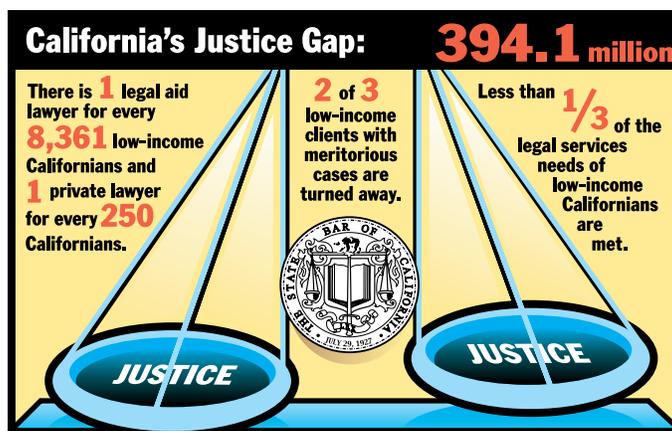
- Launched the **Justice Gap Fund** to increase legal services for indigent Californians. In its first year,

lawyers from across the state contributed nearly \$1 million to the fund. The fund implements Assembly Bill 2301 (2006), which authorizes the State Bar to collect contributions from lawyers to help fill the tremendous need for legal services for California's low-income population.

- Distributed more than **\$12.7 million in IOLTA funds** — a 6 percent increase over the prior year.

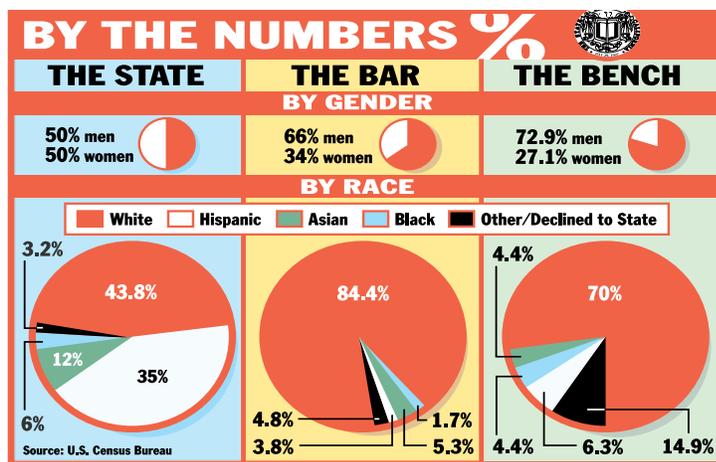
**LEGAL SERVICES, ACCESS AND FAIRNESS PROGRAMS**

The Office of Legal Services, Access and Fairness Programs focuses on all aspects of the delivery of legal services to the poor and middle income; funding for legal services programs that serve the poor; the administration of the Certified Lawyer Referral Services; support for voluntary local, minority and specialty bar associations and the California Young Lawyers Association; and efforts to eliminate bias and promote fairness in the legal profession through diversity pipeline initiatives.



- Distributed more than \$12.5 million in Equal Access Fund (EAF) grants — a 46 percent jump from the prior year’s distributions due to new “filing fee” (AB 145) funding. EAF is a state program administered by the State Bar.
- Selected 19 programs to administer 25 projects with approximately \$1.4 million in EAF “Partnership” Grant funding for 2007. This marks nearly \$500,000 in increased funding over the previous year.
- Assisted consumers in their search for an attorney by providing a Web site and toll-free phone line listing the phone numbers of State Bar-certified lawyer referral services (LRS) statewide. In 2007 alone, the LRS line received 34,872 calls in English and Spanish. The Web site registered 59,797 visits.
- Assisted 70 inactive or retired attorneys who volunteered their services through 31 legal services programs as part of the State Bar’s Emeritus Attorney Program.
- Coordinated the creation of the American Bar Association Young Lawyers Division’s toll-free hotline for San Diego-area fire victims seeking legal assistance.
- Trained 100 attorneys in the ethical application of Limited Scope Representation to serve moderate and low-income population.

■ Promoted greater diversity in the profession through various activities funded solely with voluntary contributions: a Law School Application Workshop for college students from diverse and disadvantaged backgrounds; a Diversity Roundtable of diverse practitioners who discussed the importance of diversity in the legal profession and encouraged a broader cross-section of college students to pursue law school; and the distribution of brochures to assist employers with diverse employees in the work setting.



- Promoted diversity through testimony presented to the California Senate Judiciary Committee on diversity in the judiciary.

## COMMISSION ON JUDICIAL NOMINEES EVALUATION

The State Bar’s Commission on Judicial Nominees Evaluation (JNE) evaluates all candidates who are under consideration for a judicial appointment by the Governor. The commission’s mission is to assist the Governor in the judicial selection process by providing independent, comprehensive, accurate, and fair evaluations of candidates for judicial appointment and nomination. Appointed by the State Bar’s board of governors, the volunteer commission is made up of attorneys and public members who represent a broad cross-section of California’s diverse legal profession and general population. The commission cannot nominate or appoint judges; it does, however, thoroughly investigate California’s judicial candidates under a code of strict confidentiality.

### Accomplishments/New Developments

*In 2007, the Commission on Judicial Nominees Evaluation:*

- Met a total of 15 days (in addition to two days of training) to evaluate 261 candidates submitted by the Governor, rating 206 as “qualified” or “well qualified,” 10 as “exceptionally well qualified” and 33 as “not qualified.” Detailed reports were sent to the Governor.
- Received 15 requests to the JNE Review Committee for reconsideration from those rated “not qualified”; four were rescinded, nine were denied and two are pending.

## MEMBER SERVICE CENTER

The Member Service Center (“MSC”) is dedicated to improving service to State Bar members beyond the traditional fee-payment processing and discipline proceedings. MSC seeks to create a positive State Bar experience for all members, which, in turn, will enhance the bar’s image with its members.

### Accomplishments/New Developments

*In 2007, the Member Service Center:*

- Offered a **one-stop shop for attorneys** interested in a suite of products and services offered at competitive rates.
- Contracted with Brooks Brothers, UPS, Office Max, Bank of America and other affinity partners.
- Slated for launching in 2008 a **new members-only Web site** where products and services will be offered.

■ **Updated the portfolio of group insurance products** available to State Bar members, which includes professional liability insurance, disability income and business overhead expense insurance, auto/homeowners insurance, accidental death and dismemberment insurance, life insurance, long-term care insurance, a business office insurance package and a new worker’s compensation carrier.

■ Provided 1,500 attorneys in Los Angeles with photo ID cards that provided **expedited access to superior courts**. Because of the success of the court’s pilot program, more courts are expected to adopt the program in 2008.

■ **Helped reach an agreement with Bank of America to comply early with the new state law (AB 1723)** that boosts the interest on IOLTA accounts — making more money available to address the legal needs of low-income Californians.

■ **Provided better direct phone services** — the Member Service Center directly handled more calls from State Bar members, providing one-stop services to some 75,000 callers.

■ **Cut the average wait time for callers** to 16 seconds, compared to 104 seconds in 2006. The number of abandoned calls dropped to 5 percent in 2007, compared to 15 percent in 2006.

## MANDATORY FEE ARBITRATION

The Mandatory Fee Arbitration Program is designed for attorneys and clients to resolve disputes over fees and costs outside of court. The program’s aim is to provide a quicker, less costly alternative to litigation in a consumer-friendly, confidential forum. In addition, it diverts complaints that solely involve a fee dispute away

from the attorney discipline system. Most fee arbitrations are conducted through local bar association programs. The State Bar’s program:

■ Provides mandatory fee arbitration when there is no local bar program available and administers the Committee on Mandatory Fee Arbitration.

■ Trains fee arbitrators and offers consultation to California’s 45 approved local bar programs.

■ Publishes and distributes committee-issued arbitration advisories for fee arbitrators and sponsors legal education and outreach programs for lawyers.

Mandatory Fee Arbitration Requests	2003	2004	2005	2006	2007
<i>MFA requests filed with the State Bar</i>	127	211	144	174	123
<i>Assigned to MFA panel by a local bar*</i>	2,570	1,771	1,661	1,475	1,546
<i>Requests for enforcement of award</i>	86	72	78	61	70

\*This number does not include all local bar assignments.

### Accomplishments/New Developments

*In 2007, the Office of Mandatory Fee Arbitration:*

■ **Eliminated the State Bar program’s backlog** of pending fee arbitrations.

- Created a **more user-friendly consumer information pamphlet** and *Notice of Client's Right to Arbitration* form; developed an Awards Checklist; issued two new arbitration advisories on legal topics; created a new advanced curriculum for current arbitrators; and offered free Continuing Legal Education fee arbitrator training courses.

- Assisted 14 local bar associations in obtaining **approval of new or updated rules** of procedure.

- **Expanded the State Bar's Fee Arbitration Panel** by 14 percent. A total of 54 new arbitrators are now available for assignment statewide.

- **Filed more requests with the State Bar Court to enforce arbitration** — 70 in 2007, up from 61 in 2006.

- **Received more calls regarding arbitrations** — 6,121 in 2007, up from 5,791 in 2006.

- **Increased the reimbursement to local bars for arbitrations**, which better served consumers in their own communities and significantly reduced the number of requests for State Bar arbitration.

## LAWYER ASSISTANCE PROGRAM

The **Lawyer Assistance Program (LAP)** provides confidential assistance to attorneys dealing with substance abuse or mental health issues. Professional and peer assistance is available through the LAP for attorneys who are suffering from issues such as stress, burnout, depression and chemical dependency. To date, LAP has assisted 823 attorneys (59 percent with disciplinary matters pending and 41 percent who were involved without disciplinary proceedings). The large percentage of participants without pending discipline indicates attorney acceptance and use of the program as a confidential resource that assists attorneys with their substance abuse and/or mental health issues before they harm their clients.

## Accomplishments/New Developments

*In 2007, the Lawyer Assistance Program:*

- **Enrolled 187 attorneys** in the program, bringing the total number of active participants to 401 — 11 percent more participants than in 2006.

- **Graduated the first group of attorneys** (22) who met the criteria in 2007, which included five years of participation and three years of continuous sobriety (or stability, in the case of mental health issues).

- **Collected data from nearly 100 participants** for a prospective study of the short-term and long-term impact of participation.

- **Amended the program's Rules Governing the Financial Assistance Plan** by strengthening and tightening eligibility guidelines for financial aid and loan repayment commitments.

- **Created an educational Web site** to be launched in 2008.

- **Collaborated with the Alternative Discipline Program (ADP).** The number of attorneys participating in both the LAP and the State Bar Court ADP increased to 206 by the end of the year. Another 103 attorneys were evaluated for the ADP during 2007.

## BAR RELATIONS

The **Office of Bar Relations Outreach** — solely funded through voluntary contributions to the Elimination of Bias/Bar Relations Fund — staffs the activities, programs and events of the Center for Access & Fairness and Bar Relations Outreach. These programs enable the State Bar to serve as a vital link between the bar and more than 230 local, minority and specialty bar associations.

## Accomplishments/New Developments

*In 2007, the Office of Bar Relations Outreach:*

- Served as a **resource to 236 local, minority and specialty bar associations.**

- Received funding from the California Bar Foundation to support **scholarships for participants** and host speakers for leadership and association management training.

- For the first time since the **Bar Leaders' Conference** was reinstated in 2003, provided scholarships to leaders of three separate barrister organizations. The aim is to help young lawyer leaders succeed in their bar association commitments.

- Offered expanded access to the 2007 **Bar Leaders' Conference via the Internet**.

## SPECIAL ADMISSIONS AND SPECIALIZATION

The **Office of Special Admissions and Specialization** manages special programs that allow certain attorneys to practice law in California without State Bar membership under limited circumstances.

- **The Multijurisdictional Practice Program (MJP)** allows out-of-state attorneys who live in California to register and perform limited legal services for particular corporations and legal services organizations. It also allows out-of-state attorneys to temporarily come to California in connection with certain litigation and transactional activities.

- **The Pro Hac Vice Program** permits out-of-state attorneys to appear in California state courts.

- **The Out-Of-State Attorney Arbitration Counsel Program** allows out-of-state attorneys to appear in non-judicial arbitrations in California.

- **The Military Counsel Program** allows non-California attorneys serving in the military to represent military personnel in California courts on a limited basis.

- **The Foreign Legal Consultant Program** allows

attorneys who are licensed to practice law in a foreign country to practice the law of that country in California under limited circumstances.

- **The Practical Training of Law Students Program** allows certain law students to gain firsthand legal experience in a supervised environment.

- **The Legal Specialization Program** directly certifies that qualifying California attorneys have special competence in one of nine areas of law (see adjacent box). The Legal Specialization Program also authorizes certain other organizations, such as the National Board of Trial Advocacy, to certify that California attorneys have special qualifications in other areas of law.

The self-funded Office of Special Admissions and Specialization also authorizes education providers to offer courses that satisfy the **Minimum Continuing Legal Education (MCLE)** obligations of California attorneys.

### Accomplishments/New Developments

*In 2007, the Office of Special Admissions and Specialization:*

- Administered the **Legal Specialization Examination** to more than 500 attorneys. The pass rate was 65 percent.

- Assisted the Board of Legal Specialization in **processing more than 8,800 peer review documents** to verify each applicant's proficiency in their specialty area.

- Presented a panel at the **American Bar Association's National Roundtable on Lawyer Specialty Certification**.

- Significantly **reduced the office's paper files** by scanning some 347,714 pages.

- Certified 2,297 law students under the **Practical Training of Law Student Program**.

- Processed 2,349 Pro Hac Vice applications, 1,861 applications from MCLE providers and 784 applications for certification and recertification of legal specialists.

#### The Legal Specialization Program certification areas

- Appellate Law
- Bankruptcy Law
- Criminal Law
- Estate Planning, Trust and Probate Law
- Family Law
- Franchise and Distribution Law
- Immigration and Nationality Law
- Taxation Law
- Workers' Compensation Law

## PROFESSIONAL COMPETENCE ETHICS HOTLINE

The Office of Professional Competence is responsible for administering programs that set and maintain high standards of attorney professional responsibility. A primary goal is the prevention of lawyer misconduct. Seeking to help lawyers understand and comply with their ethical duties, the professional competence staff:

- Administers an **Ethics Hotline** that assists lawyers in researching professional responsibility authorities.
- Serves as staff to the board of governors, its committees, and special commissions and task forces involved in the development of proposed amendments to the *Rules of Professional Conduct* and other laws governing lawyers.
- Administers the **Committee on Professional Responsibility and Conduct (COPRAC)**, charged with the task of drafting and issuing the State Bar's advisory ethics opinions.
- Publishes and **distributes publications** (such as the *California Compendium on Professional Responsibility*) aimed at enhancing attorney professional responsibility.
- Sponsors **legal education and outreach programs** that instruct lawyers on attorney professional responsibility issues and promote awareness of the State Bar's professional responsibility programs and activities.
- Creates and maintains **Ethics Information Online**, an area of the State Bar's Web site that offers a wide range of online professional responsibility resources.

### **Accomplishments/New Developments**

*In 2007, the Office of Professional Competence:*

- Issued five proposed rule amendments for a 90-day public comment period and conducted a public hearing at the bar's annual meeting in administering

the work of the board's **Special Commission for the Revision of the Rules of Professional Conduct**.

- Handled more than 20,000 calls to the **Ethics Hotline** and received more than 60 customer satisfaction surveys that gave high ratings in all categories, including overall satisfaction, promptness of response and usefulness of materials provided.
- Helped (as part of its work for COPRAC) develop and propose new **Attorney Civility Guidelines**, amendments to the **Mandatory Fee Arbitration Guidelines and Minimum Standards** and new rules on **malpractice insurance disclosure** to clients.
- Assisted COPRAC in developing and publishing **ethics opinions to guide attorneys** in such areas as: the proper handling of fees or costs paid by credit card; where wills can be kept; and the duty to provide the electronic client file documents to the client.
- Conducted the **11th Annual Statewide Ethics Symposium, "Ethics Around the Edges,"** at Southwestern Law School in Los Angeles.

## SECTION EDUCATION AND MEETING SERVICES

The Office of Section Education and Meeting Services provides educational services for attorneys to enhance their professional skills and abilities. Such services help fulfill the State Bar's mission to enhance the professional development of attorneys who practice law in California. As part of its role, the office administers and staffs the Council of State Bar Sections, providing assistance with educational programs, publications, meetings and related events, in accordance with their voluntary funding requirements. The office also produces a wide range of publications to provide ongoing professional development resources, in addition to staffing and coordinating the State Bar's Annual Meeting, Section Education Institutes and the bar's continuing education provider activities.

**The State Bar's 16 voluntary, financially self-supporting sections include:**

- Antitrust and Unfair Competition Law
- Business Law
- Criminal Law
- Environmental Law
- Family Law
- Intellectual Property Law
- International Law
- Labor and Employment Law
- Law Practice Management and Technology
- Litigation
- Public Law
- Real Property Law
- Solo and Small Firm
- Taxation
- Trusts and Estates
- Workers' Compensation

### **Accomplishments/New Developments**

*In 2007, the Office of Section Education and Meeting Services:*

- Presented 510 **Continuing Legal Education (CLE)** in-person class programs (the equivalent of 1,047 hours of CLE); made 910 online programs available (the equivalent of 1,289 hours of online CLE, 586 CLEtoGo podcasts, 801 hours of CLEtoGo); and filled 3,013 Section Education Institute seats (79 classes); and 13,762 State Bar Annual Meeting education seats (222 classes).
- Provided **meeting support** for 80 section executive committee meetings, 175 section subcommittee meetings, four Council of Section Chairs meetings and four Board Sections Task Force meetings.

## CALIFORNIA YOUNG LAWYERS ASSOCIATION

The California Young Lawyers Association (CYLA) offers lawyers and new practitioners an opportunity to become involved in their profession and to participate in public service. Created in 1965 as the State Bar's Conference of Barristers, the organization was renamed the California Young Lawyers Association in 1977. As one of the governing bodies of the State Bar of California, CYLA holds a permanent seat on the bar's board of governors and has a history of zealously advocating issues important to its membership. California attorneys who are in their first five years of practice or are 36 years old or younger are automatically registered as members of CYLA. No separate membership fee is required.

### **Accomplishments/New Developments**

*In 2007, the California Young Lawyers Association:*

- Worked to assist new attorneys transitioning into the legal profession. Completed **membership research and evaluation projects** that resulted in recommendations to: increase young lawyer participation in bar activities; provide more opportunities for leadership and professional development; and develop more relevant member services.
- Expanded outreach to new and young attorneys, increasing the number of attorneys who receive **the quarterly e-newsletter** by 50 percent.
- Recruited and motivated young attorneys to provide pro bono advocacy services and assistance to foster children. Received a grant from the California Bar Foundation to **partner with two existing programs** to provide such help through CYLA's new "Young Lawyers for Youth" pilot project.

## FINANCE

The Office of Finance is responsible for the fiscal operations of the State Bar. Its staff provides financial planning and analysis, accounting, member billing and procurement.

- **Financial Planning and Analysis** handles the annual budget development process. Staff provides fiscal policy analysis; develops indirect cost allocations; engages in salary planning and MOU negotiations; and forecasts future revenues and expenses.

- **Accounting** maintains internal control; implements accounting policies and procedures; prepares and reviews accounting transactions; manages cash flow and investments; prepares payroll; pays the bar’s obligations; coordinates external audits; and prepares financial statements.

- **Member Billing** is responsible for ensuring that attorneys are billed appropriately for annual fees and other costs. In addition to collecting and recording annual membership fees, staff responds to member inquiries; calculates and tracks discipline and client security fund assessments; conducts the annual suspension process; and reinstates members (previously suspended for failure to pay annual fees) once they have paid.

**Procurement** ensures that all competitive bidding, legal and fiscal requirements are met in the State Bar’s contracts with vendors. Procurement also provides vendor-sourcing assistance, general service advice to staff and credit card management.

### Accomplishments/New Developments

*In 2007, the Office of Finance:*

- **Redesigned the State Bar’s budget** to link with its strategic-planning process. Highlighted how the State Bar uses its resources to serve the public and its membership.

- **Improved the member fee billing cycle by enforcing a statutory due date** and implementing a new penalty structure. Also reduced the number of attorneys suspended for non-payment of dues in

2007 (compared to 2006) through significant outreach efforts. Ninety percent of State Bar members paid their fees by the statutory deadline of Feb. 1

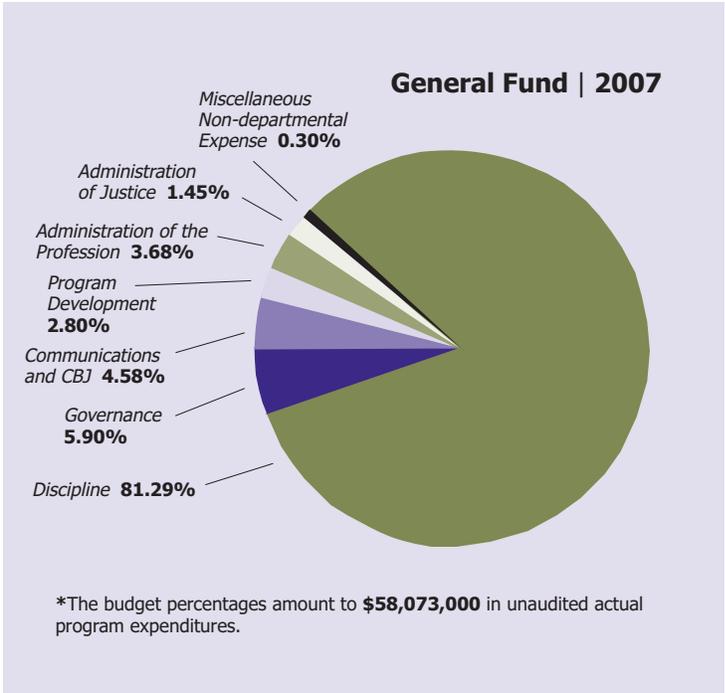
- Conducted a competitive process for an **independent auditing firm** to audit the State Bar’s annual financial statements — obtaining a new contract that will save approximately \$60,000 in audit fees in 2008.

## GENERAL COUNSEL

The **Office of General Counsel (OGC)** is the State Bar’s in-house counsel — providing legal advice, representation and services to the State Bar, its governing board, executive director, senior executives and directors, staff, committees, commissions and other sub-entities. OGC attorneys:

- Supply legal analysis and opinions on laws, issues and proposed legislation relevant to the State Bar and its programs and activities.

- Provide advice on contracts, government procurement requirements, employer-employee matters



such as equal employment opportunity issues and employee disciplinary matters, and state laws pertaining to open meetings, public records and governmental privacy.

- Handle matters in state and federal courts and before administrative agencies.
- Represent the State Bar in discipline and admissions cases before the California Supreme Court.
- Regularly attend meetings of the board of governors and other committees and commissions to provide legal analysis and advice on pending matters.
- Draft, review and advise on contracts and other business transactions for all State Bar offices and departments, including employment and labor relations, copyright, real estate and general corporate matters.

### ***Accomplishments/New Developments***

*In 2007, the Office of General Counsel:*

- Played a pivotal role in seeking the **enactment of AB 1723 (IOLTA comparability legislation)**, which is expected to significantly increase funding for civil legal services for the poor.
- Recommended that the board submit **Rule of Court 9.8** (requiring members to establish a State Bar Profile and conduct business online) to the Supreme Court.
- Sought California Supreme Court approval on several proposed rule changes related to **the destruction of certain State Bar records of closed disciplinary proceedings, the expungement of administrative records, permanent disbarment and online registration**. The court issued a standing order adopting a State Bar records retention and destruction policy and approved Rule 9.6 (expungement of administrative records).
- Obtained **82 money judgments against members** who owed disciplinary costs or Client Security Fund

reimbursements to the State Bar. This followed the Supreme Court's approval of Rule of Court 9.23 (authorization to seek such judgments) and the State Bar board's approval of a litigation pursuit policy.

- Assisted Member Services on a number of projects related to **the launch of the affinity programs**.

## HUMAN RESOURCES

The Office of Human Resources is responsible for providing the full range of human resource services to the State Bar. This includes personnel policy administration; training, recruitment and retention of employees; Equal Employment Opportunity (EEO) and non-discrimination policy administration; classification and compensation analysis; benefit administration; human resource information system administration; organizational development; employee and labor relations administration.



### ***Accomplishments/New Developments***

*In 2007, the Office of Human Resources:*

- Administered **550 full-time positions** in Los Angeles, San Francisco and Sacramento.
- Launched an extensive **16-hour training program** for all managers and supervisors.
- Completed **union negotiations** on the Memoranda of Understanding for 2008 with terms extended to 2009.
- Worked to enhance the State Bar's compliance with the Department of Justice (DOJ) **Criminal Offender**

**Records Information (CORI) access standards.** In light of the bar's quasi-law enforcement status and access to CORI, certain employees are now required to pass DOJ security clearance to be employed by the bar.

## OPERATIONS

The Office of Operations provides a comprehensive range of administrative and operational services in support of the work of all departments of the State Bar. As the organization's administrative support arm, this office manages centralized reception, mail and copy services; security; fulfillment center operations; meeting support; travel services; some financial support services; and facilities. It also safeguards the bar's physical assets.

### Accomplishments/New Developments

*In 2007, the Office of Operations:*

- **Remodeled the State Bar's Los Angeles Office of Admissions** to facilitate the execution and grading of the Bar Examination.
- **Saved \$1.85 million in future State Bar leasing costs** by negotiating an agreement with the bar's Los Angeles landlord for the early return of an unoccupied floor at 1149 South Hill Street.

## INFORMATION TECHNOLOGY

Information Technology (IT) is responsible for the computing, telecommunications and library resources that support the work of the State Bar. To meet these responsibilities, IT assesses information technologies; recommends products and services that can be supported within resource limitations; coordinates the selection and implementation of technologies; and provides ongoing support for products and services that have been adopted.

### Accomplishments/New Developments

*In 2007, Information Technology:*

- Developed a paperless agenda for board of governors' meetings, eliminating postage charges and enhancing public access to the State Bar.
- Implemented performance management for all critical IT services and established service levels, performance commitments and system availability, monitoring feedback through a performance survey.
- Implemented a **new SPAM e-mail monitoring** capability.
- Continued the State Bar's commitment to professional development by offering enhanced **training opportunities** to all State Bar staff and managers
- Worked with bar departments to develop changes to *My State Bar Profile* to allow members to provide enhanced census information and online compliance with IOLTA reporting requirements.
- As part of the State Bar president's green initiative, started planning a series of **projects to save energy** and increase the environmentally friendly use of technology at the State Bar.

## MEDIA & INFORMATION SERVICES

The Office of Media & Information Services provides bar members, bar associations, the media and the public with information about the State Bar, lawyers and the legal system through media relations, consumer information and public education. This includes the California Bar Journal, the State Bar Web site and consumer education guides such as *Kids & the Law*, *When You Become 18* and *Seniors & the Law*. The staff also coordinates responses to media inquiries and develops affirmative media and public relations strategies for the State Bar. In addition, the State Bar's Web editor

provides editorial oversight for the content of the bar's Web site, working closely with the IT staff.

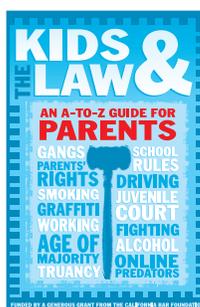
### **Accomplishments/New Developments**

*In 2007, the Office of Media & Information Services:*

■ Invited fourth- and fifth-graders from across the state to participate in the bar's first-ever *Kids & the Law* essay contest, which led to more than 700 essay submissions. This encouraged young-  
**sters and more than 200 teachers and other educators** to get involved in the bar's public education program, increasing the use of *Kids & the Law* in classrooms. It also directly **involved the bar's board of governors** through public recognition ceremonies and resulted in more board members distributing the bar's public education guides in their districts.



*Five fifth-graders offer up winning essays on the law in the State Bar's 2007 Kids and the Law Essay Contest.*



■ Completed the first full year of the **Law Student e-Journal**, attracting 4,000 law students to sign up for the free electronic journal. This resulted in greater awareness of State Bar programs and important milestones in the bar admissions process. It also provided for the first time a **direct line to law students** via the e-journal, enabling State Bar entities and local bars to advertise their meetings and outreach programs to future State Bar members.

■ Through marketing, encouraged **90 percent of State Bar members to pay their dues by the statutory deadline of Feb. 1**, leading to the early collection of State Bar revenue. Eliminated two additional fee statement mailings per year, resulting in savings of \$150,000 annually in development, printing and postage of fee statement

## **The State Bar of California**

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# The State Bar of California | Structure

