



The State Bar of California

Closing the Justice Gap Working Group

Closing the justice gap for Californians by developing a controlled environment for testing innovative systems for delivering legal services.

Purpose

The State Bar formed a [Task Force on Access Through Innovation of Legal Services \(ATILS\)](#) in 2018 to study online legal service delivery models and to determine if regulatory changes are needed to increase access to legal services through the use of technology. The Task Force submitted its final recommendations to the Board of Trustees in March of 2020. The recommendations included exploration of the development of a regulatory sandbox. This sandbox would be a temporary regulatory structure established to allow participants to test innovative business models, products, and services, in a supervised environment that ensures collection of data to inform whether future changes to rules and laws governing the practice of law would result in benefits and/or risks of harm to consumers. In response, the State Bar's Board of Trustees directed the formation of a Working Group on Closing the Justice Gap.

Working Group Charter

On March 24, 2022, the Board of Trustees adopted amendments to the Closing the Justice Gap Working Group charter. The full text of the charter follows.

The Working Group on Closing the Justice Gap is charged with exploring the development of a regulatory sandbox to encourage the development of innovative legal service delivery models serving clients at all income levels through the collaboration of lawyers, law firms, technologists, entrepreneurs, and others. As a guiding principle in carrying out its work, the working group must balance the dual goals of ensuring public protection and increasing access to legal services for all Californians

The working group will develop specific recommendations regarding the following:

1. **Creation of a sandbox:** Assessment of the pros and cons of a sandbox as a way to foster innovative legal services delivery in a manner that protects the public, through temporary waivers to certain rules and laws that would otherwise prevent or limit such services from being offered to consumers
2. **Structure and governance of possible sandbox and Regulator:**
 - a. What agency or entity would house and be responsible for operating the sandbox and regulating its participants (the "Regulator")
 - b. Governing board structure, composition, and policies that apply to the board of the Regulator
 - c. Roles for the Supreme Court and/or the Legislature with respect to establishment and governance of the sandbox and the Regulator
 - d. Transparency measures such as open meetings and public records
 - e. Reporting requirements from the Regulator to the Supreme Court, the Legislature, and the public
 - f. Independent evaluation of the sandbox and the Regulator

- g. Generalized funding needs and sources of funding
 - h. The term of the sandbox and the impact of sandbox termination on participants
- 3. **Regulatory principles:** Identification of regulatory principles to guide the Regulator's decision-making including the measurement of risk and consumer protection
- 4. **Scope:**
 - a. Parameters for entities who are eligible to participate in the Sandbox
 - b. Measures to ensure independence of professional judgment in the delivery of legal services in the sandbox
 - c. Articulated roles for the Supreme Court and/or the Legislature in setting parameters for entry into the sandbox
 - d. Limitations, if any, as to practice areas, activities, services, individuals, or entities that would be permitted in the sandbox
 - e. Methods for attracting participants that seek to predominantly serve low- and moderate-income Californians who may not be able to access free legal services by legal aid organizations.
- 5. **Rules and laws:**
 - a. Specific rules and laws that will not be subject to modification, waiver, or exemption within the Sandbox and will apply to all entities authorized to participate in the Sandbox
 - b. Specific rules and laws that may be subject to modification, waiver, or exemption in the Sandbox
 - c. Articulated roles for the Supreme Court and/or the Legislature with respect to modification or exemption of existing rules or statutes as they relate to sandbox participants
- 6. **Consumer protection mechanisms:**
 - a. Principles of oversight of persons and entities authorized to participate in the sandbox, including
 - i. Identification and enumeration of specific legal consumer harms to be targeted by the proactive regulatory function and corresponding data reporting requirements
 - ii. Compliance and accountability mechanisms, including any required level of involvement of a California licensed attorney in a sandbox participant's business model
 - iii. Expectations of conduct for sandbox participants to ensure public protection and privacy
 - b. Principles for enforcement relating to sandbox participants, including
 - i. Processing and investigation of client complaints
 - ii. Suspension or removal from the sandbox
 - c. Available consumer remedies

The working group shall submit its recommendations to the Board of Trustees no later than May 2023.

Working Group Composition

The [working group's members](#) were selected and appointed to ensure that a wide variety of perspectives are fully and thoughtfully considered in this exploration of fundamental shifts to the traditional practice of law. Chaired by Justice Alison M. Tucher, the working group includes

experts whose work focuses on the nexus of legal services, technology, and regulatory reform. It also includes members from important practitioner groups as well as members continuing from ATILS—who bring deep experience in California’s legal services community and expertise in legal ethics—to provide continuity with that foundational effort.

To follow the activities of the working group, including meeting notices and information about public comment opportunities, those interested can subscribe to the working group’s e-list. The signup form is available at the bottom of this [webpage](#).