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Pursuit Policy for Court-Ordered Discipline Costs and CSF Obligations

Section 1 Purpose

Before April 1, 2007, discipline costs or restitution to Client Security Fund (CSF) ordered against a disciplined lawyer were collected either by including the amount in the billing of the annual membership fees or requiring payment as a condition of reinstatement. On January 1, 2004, changes in the State Bar Act provided that discipline costs and CSF restitution orders could be enforced as money judgments in the civil courts. With the Supreme Court's approval of Rule 9.23 of the California Rules of Court, effective April 1, 2007, the State Bar may now obtain automatic judgments for court-ordered discipline cost and Client Security Fund obligations. The goal of this policy is to have an aggressive, but fair policy to promote resolution of discipline costs and CSF obligations as quickly as possible, to utilize available tools effectively and efficiently collect these debts owed by disciplined California lawyers.

Section 2 Definitions

(a) "Discipline costs" are the amounts that a member must pay to the State Bar under Business and Professions Code section 6086.10.

(b) "CSF restitution" refers to amounts that a member must pay to the State Bar under Business and Professions Code section 6140.5, subdivision (d).

(c) "Debtor" means a member of the State Bar of California who must pay discipline cost to the State Bar or CSF restitution under a discipline order by the Supreme Court or the State Bar Court or an order of the Supreme Court accepting the member's resignation with charges pending.

(d) "Debt" refers to discipline costs, CSF restitution, or both.

Section 3 No Action ("Do Not Pursue" Status)

The State Bar may designate a matter as "do not pursue" and take no further action against a debtor to enforce a debt under any one of the following reasons:

(a) The debtor is making timely payments and is not in default under a payment plan approved by the State Bar Court or Supreme Court

(b) The debtor discharged the obligation in bankruptcy between May 10, 2001 and January 1, 2004, in reliance on *In Re Taggart*, 249 F.3d 987 (9th Cir. 2000)

(c) The debtor is deceased and the estate has no assets

(d) The expense to enforce the debt is likely to exceed the amount expected to be collected; or,

(e) Other good cause as determined by the General Counsel.

Section 4 Pursuit Guidelines

Debts not designated as “do not pursue” under section 3 will be enforced under the following guidelines.

(a) Report debtor to credit reporting or collection agencies if:

(1) The debt is older than 10 years; or

(2) The debt or aggregate debts are less than $500.

(b) File judgments, obtain abstracts of judgment, and record liens against debtors who owe discipline costs and CSF restitution and

(1) The debt is less than 10 years and

(2) The debt or aggregate debt is $500 or more.

(c) Pursue further enforcement of judgment mechanisms as appropriate where the judgment debtor and assets have been located.

Section 5 Compromise

These guidelines do not preclude the State Bar from granting relief under Rules 282 and 285 of the Rules of Procedure and Rule 9.23(c) of the California Rules of Court.