

AGENDA ITEM

NOVEMBER 51, 52 AND 53

DATE: November 5, 2008

TO: The Members of the Board Planning, Program Development & Budget Committee
The Members of the Board of Governors

FROM: Judy Johnson

The following matters are on the consent agenda for the Board's Friday, November 21, 2008, meeting:

51 Financial Statements for Quarters Ended June 30 and September 30, 2008

The financial statements for quarters ended June 30 and September 30, 2008, are attached. These statements will be considered by the Board Planning, Program Development, & Budget Committee at its Friday, November 21, 2008, meeting. Should the board committee concur with the recommendation, it would be in order for the Board to adopt the following resolution:

RESOLVED, upon recommendation of the Board Planning, Program Development, & Budget Committee, that the Board hereby receives the financial statements for the quarters ended June 30 and September 30, 2008, as certified by the Chief Financial Officer, and on file in the San Francisco office of the State Bar.

52 Investment Report for Quarters Ended June 30 and September 30, 2008

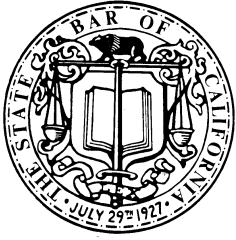
The investment report for quarters ended June 30 and September 30, 2008, are attached. These reports will be considered by the Board Planning, Program Development, & Budget Committee at its Friday, November 21, 2008, meeting. Should the board committee concur with the recommendation, it would be in order for the Board to adopt the following resolution:

RESOLVED, upon recommendation of the Board Planning, Program Development, & Budget Committee, that the Board hereby receives the investment reports for the quarters ended June 30 and September 30, 2008, as certified by the Chief Financial Officer, and on file in the San Francisco office of the State Bar.

53 Client Security Fund Report for Quarters June 30 and September 30, 2008

The Client Security Fund report for quarters ended June 30 and September 30, 2008, are attached. These reports will be considered by the Board Planning, Program Development, & Budget Committee at its Friday, November 21, 2008, meeting. Should the board committee concur with the recommendation, it would be in order for the Board to adopt the following resolution:

RESOLVED, upon recommendation of the Board Planning, Program Development, & Budget Committee, that the Board hereby receives the Client Security Fund reports for the quarters ended June 30 and September 30, 2008, as certified by the Chief Financial Officer, and on file in the San Francisco office of the State Bar.



THE STATE BAR OF CALIFORNIA

FINANCE

180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639

TEL (415) 538-2200

MEMORANDUM

DATE: October 21, 2008
TO: Board of Governors
FROM: Peggy Van Horn, Chief Financial Officer
SUBJECT: 2nd Quarter 2008 Financial Statements – Financial Highlights

Attached for your review are the 2008 second quarter financial statements for the State Bar of California. The financial Highlights are as follows:

- Attachment 1 – Assets, Liabilities & Net Assets – All Funds
- Attachment 2 – Assets, Liabilities & Net Assets – General Fund
- Attachment 3 – Assets, Liabilities & Net Assets – Restricted Funds
- Attachment 4 – Revenue, Expenses and Changes in Net Assets – All Funds
- Attachment 5 – Revenue, Expenses and Changes in Net Assets – General Fund
- Attachment 6 – Revenue, Expenses and Changes in Net Assets – Restricted Funds
- Attachment 7 – Budget to Actual Comparison – General Fund
- Attachment 8 – Budget to Actual Comparison – General Fund Expenses by Function

Statement of Assets, Liabilities & Net Assets:

This statement reports the Bar's assets, liabilities and net assets. For the quarter ended June 30, 2008, the Bar's total assets are \$167.6 million, liabilities are \$49.9 million and net assets are \$117.7 million. The General Fund, the Bar's largest operating fund, has assets of \$53.9 million, liabilities of \$42.8 million and net assets of \$11.1 million. Individual statements for the General Fund and the restricted funds are included for your reference.

Statement of Revenue, Expenses and Changes in Net Assets

This statement reports the Bar's revenues, expenses, excess (deficiency) of revenues over expenses and changes in net assets. For the quarter ended June 30, 2008, the Bar's total

revenues (operating and non-operating) are \$88.1 million, and expenses are \$56.6 million, resulting in a surplus of \$31.5 million.

The General Fund's total revenues through the end of second quarter are \$32.8 million, which represents a \$0.2 million increase from the total revenues of \$32.6 million for the second quarter ended 2007. The increase is attributable to a \$0.7 million increase in membership fees, and a \$0.1 million increase in continuing legal education fees and seminar workshop revenue, partially offset by a decrease in investment income of \$0.6 million due to decrease in interest rate in the current year.

Budget to Actual Comparison – General Fund

Each quarter, a budget to actual comparison report for the General Fund is prepared. This statement is designed to provide the Board with information about how the actual performance of the General Fund's revenues and expenses compares with anticipated (budgeted) results. The report includes a quarterly budget comparison as well as year to date and prior year comparison.

Year to date, the General Fund's total revenues reflect a favorable variance of \$2.3 million, which represents 7.6% of the year-to-date budget. The variance is due to a \$1.9 million increase in membership fees, a \$0.4 million increase in continuing legal education.

Total General Fund expenses through the second quarter show a favorable variance of \$0.3 million, which reflects the decreases in discipline, and administrative functional areas.

The General Fund Budget to Actual Comparison Expenses by Function report reflects the expense variance by functional area, and variances at the total program level are insignificant.

The State Bar of California
Statement of Assets, Liabilities and Net Assets - All Funds
As of June 30, 2008

Attachment 1

	General Fund	Restricted Funds	Fixed Asset Fund	YTD Total All Funds June-08	YTD Total All Funds June-07	Change
ASSETS						
Cash	21,892,233	50	-	21,892,283	18,531,108	3,361,175
Accounts Receivable (net of allowances)	2,823,037	2,034,130	-	4,857,167	7,120,467	(2,263,300)
Interfund Receivable/Payable	(75,607,344)	75,607,344	-	-	-	-
Capital Assets (net of depreciation)	-	15,192,579	20,577,393	35,769,972	37,218,863	(1,448,891)
Investments	104,031,121	-	-	104,031,121	88,190,290	15,840,831
Other Assets	750,649	278,446	-	1,029,095	943,271	85,824
TOTAL ASSETS	53,889,696	93,112,549	20,577,393	167,579,638	152,003,999	15,575,639
LIABILITIES AND NET ASSETS						
Accounts Payable and Accrued Liabilities	3,664,769	7,051,966	-	10,716,735	9,509,964	1,206,771
Unearned Fees Collected in Advance	29,194,720	28,821	-	29,223,541	29,474,069	(250,528)
Grants Payable	-	-	-	-	23,168	(23,168)
Accrued Postretirement Benefits	9,932,878	-	-	9,932,878	8,041,421	1,891,457
Obligations under Debt Agreements	-	54,167	-	54,167	789,000	(734,833)
TOTAL LIABILITIES	42,792,367	7,134,954	-	49,927,321	47,837,622	2,089,699
NET ASSETS						
Net Assets at Beginning of Year	9,852,083	55,293,141	21,043,308	86,188,532	74,852,886	11,335,646
Current Operating Excess (Deficit)	1,245,246	30,870,624	(652,085)	31,463,785	29,313,491	2,150,294
Transfer of Fixed Assets to Fixed Assets Fund	-	(186,170)	186,170	-	-	-
Other Transfers Between Funds	-	-	-	-	-	-
TOTAL NET ASSETS	11,097,329	85,977,595	20,577,393	117,652,317	104,166,377	13,485,940
TOTAL LIABILITIES & NET ASSETS	53,889,696	93,112,549	20,577,393	167,579,638	152,003,999	15,575,639

The State Bar of California
Statement of Assets, Liabilities and Net Assets - General Fund
As of June 30, 2008

Attachment 2

	<u>Year to Date Total June-08</u>	<u>Year to Date Total June-07</u>	<u>Change</u>
ASSETS			
Cash	21,892,233	18,531,058	3,361,175
Accounts Receivable (net of allowances)	2,823,037	2,938,044	(115,007)
Interfund Receivable/Payable	(75,607,344)	(59,416,437)	(16,190,907)
Capital Assets (net of depreciation)	-	28,056	(28,056)
Investments	104,031,121	88,190,290	15,840,831
Other Assets	750,649	783,075	(32,426)
TOTAL ASSETS	<u><u>53,889,696</u></u>	<u><u>51,054,086</u></u>	<u><u>2,835,610</u></u>
 LIABILITIES AND NET ASSETS			
Accounts Payable and Accrued Liabilities	3,664,769	3,562,078	102,691
Unearned Fees Collected in Advance	29,194,720	29,451,308	(256,588)
Accrued Postretirement Benefits	9,932,878	8,041,421	1,891,457
Obligations under Debt Agreements	-	30,667	(30,667)
TOTAL LIABILITIES	<u><u>42,792,367</u></u>	<u><u>41,085,474</u></u>	<u><u>1,706,893</u></u>
 NET ASSETS			
Net Assets at Beginning of Year	9,852,083	6,563,422	3,288,661
Current Operating Excess (Deficit)	1,245,246	3,405,190	(2,159,944)
Transfer of Fixed Assets to Fixed Assets Fund	-	-	-
Other Transfers Between Funds	-	-	-
TOTAL NET ASSETS	<u><u>11,097,329</u></u>	<u><u>9,968,612</u></u>	<u><u>1,128,717</u></u>
 TOTAL LIABILITIES & NET ASSETS	 <u><u><u>53,889,696</u></u></u>	 <u><u><u>51,054,086</u></u></u>	 <u><u><u>2,835,610</u></u></u>

The State Bar of California
Statement of Assets, Liabilities and Net Assets - Restricted Funds
As of June 30, 2008

	Admissions	Annual Meeting	Building	Certification Activity	Client Security	Discipline	Education Foundation	Elimination of Bias	Equal Access	Grants	Info Tech Special Assess	Totals A-I
ASSETS												
Cash	50	-	-	-	-	-	-	-	-	-	-	50
Accounts Receivable (net of allowances)	2,503	-	-	-	-	-	-	-	125,000	256,627	-	384,130
Interfund Receivable/Payable	10,029,771	369,465	265,182	3,252,027	12,508,330	1,124,574	-	1,284,720	1,901,732	(25,947)	1,584,572	32,294,425
Capital Assets (net of depreciation)	-	-	15,192,579	-	-	-	-	-	-	-	-	15,192,579
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	206,529	-	-	-	-	-	-	-	-	-	-	206,529
TOTAL ASSETS	10,238,853	369,465	15,457,761	3,252,027	12,508,330	1,124,574	-	1,284,720	2,026,732	230,680	1,584,572	48,077,713
LIABILITIES AND NET ASSETS												
Accounts Payable and Accrued Liabilities	266,295	18,921	62,517	46,647	5,694,609	-	-	22,759	-	-	10	6,111,758
Unearned Fees Collected in Advance	-	-	1,567	-	12,215	-	-	-	-	-	1,372	15,154
Grants Payable	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Postretirement Benefits	-	-	-	-	-	-	-	-	-	-	-	-
Obligations under Debt Agreements	-	-	54,167	-	-	-	-	-	-	-	-	54,167
TOTAL LIABILITIES	266,295	18,921	118,251	46,647	5,706,824	-	-	22,759	-	-	1,382	6,181,079
NET ASSETS												
Net Assets at Beginning of Year	3,852,695	438,307	15,711,077	3,114,377	2,990,888	1,153,924	-	904,826	1,358,129	88,024	(7)	29,612,240
Current Operating Excess (Deficit)	6,119,863	(87,763)	(371,567)	91,003	3,810,618	(29,350)	(141,346)	357,135	668,603	142,656	1,583,197	12,143,048
Transfer of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	-	-	-	-
Other Transfers Between Funds	-	-	-	-	-	-	141,346	-	-	-	-	141,346
TOTAL NET ASSETS	9,972,558	350,544	15,339,510	3,205,380	6,801,506	1,124,574	-	1,261,961	2,026,732	230,680	1,583,190	41,896,634
TOTAL LIABILITIES & NET ASSETS	10,238,853	369,465	15,457,761	3,252,027	12,508,330	1,124,574	-	1,284,720	2,026,732	230,680	1,584,572	48,077,713

The State Bar of California
Statement of Assets, Liabilities and Net Assets - Restricted Funds
As of June 30, 2008

Attachment 3
Page 2 of 2

	Justice Gap	Lawyers Assistance Program	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	Public Protection	Sections	Support & Administration	Technology Improvement	Total page J-T	Total page A-I	All Restricted Funds
ASSETS													
Cash	-	-	-	-	-	-	-	-	-	-	-	50	50
Accounts Receivable (net of allowances)	-	-	-	1,650,000	-	-	-	-	-	-	1,650,000	384,130	2,034,130
Interfund Receivable/Payable	986,520	1,826,852	1,147,927	17,888,854	2,171,942	1,203,441	6,231,935	9,179,563	2,462,422	213,465	43,312,919	32,294,425	75,607,344
Capital Assets (net of depreciation)	-	-	-	-	-	-	-	-	-	-	-	-	15,192,579
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	3,687	-	-	-	-	57,000	11,229	-	71,917	206,529	278,446
TOTAL ASSETS	986,520	1,826,852	1,151,614	19,538,854	2,171,942	1,203,441	6,231,935	9,236,563	2,473,651	213,465	45,034,836	48,077,713	93,112,549
LIABILITIES AND NET ASSETS													
Accounts Payable and Accrued Liabilities	-	40,414	887	53,525	9,214	32,810	-	97,392	705,966	-	940,208	6,111,758	7,051,966
Unearned Fees Collected in Advance	100	3,172	-	-	-	5	-	10,390	-	-	13,667	15,154	28,821
Grants Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Postretirement Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Obligations under Debt Agreements	-	-	-	-	-	-	-	-	-	-	-	54,167	54,167
TOTAL LIABILITIES	100	43,586	887	53,525	9,214	32,815	-	107,782	705,966	-	953,875	6,181,079	7,134,954
NET ASSETS													
Net Assets at Beginning of Year	349,816	686,276	904,248	8,655,248	1,875,859	728,055	6,118,391	6,003,388	150,044	209,577	25,680,901	29,612,240	55,293,141
Current Operating Excess (Deficit)	636,604	1,096,990	246,479	10,830,081	286,869	442,571	113,544	3,266,739	1,803,811	3,888	18,727,576	12,143,048	30,870,624
Transfer of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	(186,170)	-	(186,170)	-	(186,170)
Other Transfers Between Funds	-	-	-	-	-	-	-	(141,346)	-	-	(141,346)	141,346	-
TOTAL NET ASSETS	986,420	1,783,266	1,150,727	19,485,329	2,162,728	1,170,626	6,231,935	9,128,781	1,767,685	213,465	44,080,961	41,896,634	85,977,595
TOTAL LIABILITIES & NET ASSETS	986,520	1,826,852	1,151,614	19,538,854	2,171,942	1,203,441	6,231,935	9,236,563	2,473,651	213,465	45,034,836	48,077,713	93,112,549

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - All Funds
For the Six Months Ending June 30, 2008

Attachment 4

	General Fund	Restricted Funds	Fixed Asset Fund	Total All Funds Year to Date Jun-08	Total All Funds Year to Date Jun-07	Change	Percentage Change
OPERATING REVENUES:							
Membership Fees, Voluntary Contributions	30,413,896	12,138,360	-	42,552,256	40,526,850	2,025,406	5.00%
Convention Income	450	299,747	-	300,197	150,917	149,280	98.92%
Law Corporation Registration Fees	-	608,670	-	608,670	589,915	18,755	3.18%
Continuing Legal Education Fees	633,844	83,835	-	717,679	695,757	21,922	3.15%
Law Practices Sections Fees	-	4,638,902	-	4,638,902	4,012,593	626,309	15.61%
Grant Received	-	5,084,641	-	5,084,641	6,167,459	(1,082,818)	-17.56%
Trust Account Revenue	-	11,289,055	-	11,289,055	8,912,268	2,376,787	26.67%
EAF AB 145 Filing Fee Revenue	-	1,181,836	-	1,181,836	2,588,832	(1,406,996)	-54.35%
Other Revenue	343,297	2,405,735	-	2,749,032	1,956,059	792,973	40.54%
Examination Application Fees	-	13,950,966	-	13,950,966	13,980,318	(29,352)	-0.21%
Legal Specialization Fees	-	859,360	-	859,360	844,222	15,138	1.79%
Seminar/Workshop Revenue	59,551	872,814	-	932,365	675,632	256,733	38.00%
CalBar Journal Revenue	470,688	-	-	470,688	521,119	(50,431)	-9.68%
Total Operating Revenue	31,921,726	53,413,921	-	85,335,647	81,621,941	3,713,706	4.55%
OPERATING EXPENSES:							
Discipline and Adjudication	26,040,383	-	-	26,040,383	23,924,039	2,116,344	8.85%
Grant Expenses	-	5,368,734	-	5,368,734	7,665,880	(2,297,146)	-29.97%
Administration of Justice	514,159	-	-	514,159	371,374	142,785	38.45%
Governance	1,582,920	-	-	1,582,920	1,971,325	(388,405)	-19.70%
Administration of the Profession	1,029,032	799,313	-	1,828,345	1,651,210	177,135	10.73%
Program Development	922,318	-	-	922,318	793,901	128,417	16.18%
Communications	1,571,527	-	-	1,571,527	1,328,653	242,874	18.28%
Examination costs and administration	-	8,216,011	-	8,216,011	7,772,671	443,340	5.70%
Claims (net of reimbursements)	-	2,055,466	-	2,055,466	1,529,563	525,903	34.38%
Law Practices (Sections)	-	2,041,622	-	2,041,622	2,009,798	31,824	1.58%
General and Administrative costs	-	5,889,884	652,085	6,541,969	6,723,683	(181,714)	-2.70%
Other	(108,728)	-	-	(108,728)	-	(108,728)	N/A
Total Operating Expenses	31,551,611	24,371,030	652,085	56,574,726	55,742,098	832,628	1.49%
OPERATING INCOME/(LOSS)	370,115	29,042,891	(652,085)	28,760,921	25,879,843	2,881,078	11.13%
NON-OPERATING REVENUE:							
Investment Income	875,131	1,224,754	-	2,099,885	2,928,446	(828,561)	-28.29%
Rental Income	-	602,979	-	602,979	505,202	97,777	19.35%
Total Non-Operating Revenue	875,131	1,827,733	-	2,702,864	3,433,648	(730,784)	-21.28%
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	1,245,246	30,870,624	(652,085)	31,463,785	29,313,491	2,150,294	7.34%
CHANGES IN NET ASSETS:							
Net Assets at beginning of year	9,852,083	55,293,141	21,043,308	86,188,532	74,852,886	11,335,646	15.14%
Transfers of Fixed Assets to Fixed Asset Fund	-	(186,170)	186,170	-	-	-	-
NET ASSETS AS OF JUNE 30, 2008	11,097,329	85,977,595	20,577,393	117,652,317	104,166,377	13,485,940	12.95%

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - General Fund
For the Six Months Ending June 30, 2008

Attachment 5

	<u>Year to Date June-08</u>	<u>Year to Date June-07</u>	<u>Change</u>
OPERATING REVENUES			
Membership Fee, Voluntary Contributions and Convention Income	30,413,896	29,755,483	658,413
Continuing Legal Education Fees	633,844	584,132	49,712
Grant Received	-	-	-
Other Revenue	343,297	307,758	35,539
Seminar/Workshop Revenue	59,551	7,967	51,584
CalBar Journal Revenue	470,688	521,119	(50,431)
Total Operating Revenue	<u>31,921,726</u>	<u>31,176,459</u>	<u>744,817</u>
OPERATING EXPENSES:			
Discipline & Adjudication	26,040,383	23,924,039	2,116,344
Administration of Justice	514,159	371,374	142,785
Governance	1,582,920	1,971,325	(388,405)
Administration of the Profession	1,029,032	804,269	224,763
Program Development	922,318	793,901	128,417
Communications	1,571,527	1,328,653	242,874
Other	(108,728)	41,441	(150,169)
Total Operating Expenses	<u>31,551,611</u>	<u>29,235,002</u>	<u>2,316,609</u>
OPERATING INCOME/(LOSS)	370,115	1,941,457	(1,571,792)
NON-OPERATING REVENUE			
Investment Income	875,131	1,463,733	(588,602)
Total Non-Operating Revenue	<u>875,131</u>	<u>1,463,733</u>	<u>(588,602)</u>
EXCESS/(DEFICIENCY) OF REVENUES OVER	<u>1,245,246</u>	<u>3,405,190</u>	<u>(2,159,944)</u>
NET ASSETS			
Net Assets at beginning of year	9,852,083	6,563,422	3,288,661
Transfers of Fixed Assets to Fixed Assets Funds	-	-	-
Transfer between Funds	-	-	-
NET ASSETS AS OF JUNE 30, 2008	<u>11,097,329</u>	<u>9,968,612</u>	<u>1,128,717</u>

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds
For the Six Months Ending June 30, 2008

	Admissions	Annual Meeting	Building	Certification Activities	Client Security	Discipline	Education Foundation	Elimination of Bias	Equal Access	Grants	Info Tech Special Assess	Totals A-I
REVENUE												
Membership Fees & Voluntary Dues	-	-	7,960	-	6,625,710	-	-	768,730	-	-	1,561,550	8,963,950
Investment Income	160,635	6,513	8,599	59,011	227,243	20,649	(264)	24,703	16,458	-	21,647	545,194
Convention Income	-	123,097	-	-	-	-	147,826	-	-	-	-	270,923
Law Corporation Registration Fees	-	-	-	608,670	-	-	-	-	-	-	-	608,670
Continuing Legal Education Fees	-	-	-	81,360	-	-	-	-	-	-	-	81,360
Law Practices (Sections) Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income	-	-	585,043	-	-	-	-	-	-	-	-	585,043
Grant Received	-	-	-	-	-	-	-	-	4,592,559	492,082	-	5,084,641
Trust Account Revenue	-	-	-	-	-	-	-	-	-	-	-	-
EAF AB145 Filing Fee Revenue	-	-	-	-	-	-	-	-	1,181,836	-	-	1,181,836
Other	224,274	-	-	141,275	-	-	64,924	-	400,577	-	-	831,051
Application Fees	13,950,966	-	-	-	-	-	-	-	-	-	-	13,950,966
Legal Specialization Fees	-	-	-	-	-	-	-	-	-	-	-	-
Seminar/Workshop Revenue	-	-	-	-	-	-	830,947	-	-	-	-	830,947
Advertising Revenue	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	14,335,875	129,610	601,602	890,316	6,852,953	20,649	1,043,433	793,433	6,191,430	492,082	1,583,197	32,934,581
EXPENSES												
Grants	-	-	-	-	-	-	-	-	5,368,734	-	-	5,368,734
Administration of the Profession	-	-	-	799,313	-	-	-	-	-	-	-	799,313
Examination Costs and Administration	8,216,011	-	-	-	-	-	-	-	-	-	-	8,216,011
Claims (net of reimbursement)	-	-	-	-	2,055,466	-	-	-	-	-	-	2,055,466
Law Practices (Sections)	-	-	-	-	-	-	-	-	-	-	-	-
General and Administrative	-	217,373	973,170	-	986,870	49,999	1,184,780	436,298	154,094	349,426	-	4,352,010
TOTAL EXPENSES	8,216,011	217,373	973,170	799,313	3,042,336	49,999	1,184,780	436,298	5,522,828	349,426	-	20,791,534
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES												
	6,119,864	(87,763)	(371,568)	91,003	3,810,617	(29,350)	(141,346)	357,135	668,602	142,656	1,583,197	12,143,047
CHANGES IN NET ASSETS												
Net Assets at beginning of year	3,852,695	438,307	15,711,077	3,114,377	2,990,888	1,153,924	-	904,826	1,358,129	88,024	(7)	29,612,240
Transfers of Fixed Assets to Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Other Transfers Between Funds	-	-	-	-	-	-	-	-	-	-	-	-
NET ASSETS AS OF JUNE 30, 2008	9,972,559	350,544	15,339,509	3,205,380	6,801,505	1,124,574	(141,346)	1,261,961	2,026,731	230,680	1,583,190	41,755,287

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds
For the Six Months Ending June 30, 2008

Attachment 6
Page 2 of 2

	Justice Gap	Lawyer Assistance	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	Public Protection	Sections	Support & Administration	Technology Improvement	Totals J-T	Totals A-I	Totals Restricted Funds
REVENUE													
Membership Fees & Voluntary Dues	621,844	1,772,356	-	-	-	780,210	-	-	-	-	3,174,410	8,963,950	12,138,360
Investment Income	14,866	33,703	16,671	236,850	41,988	21,950	113,544	165,386	30,713	3,889	679,560	545,194	1,224,754
Convention Income	-	-	-	-	-	-	-	28,824	-	-	28,824	270,923	299,747
Law Corporation Registration Fees	-	-	-	-	-	-	-	-	-	-	-	608,670	608,670
Continuing Legal Education Revenue	-	-	-	-	2,475	-	-	-	-	-	2,475	81,360	83,835
Law Practices (Sections) Revenue	-	-	-	-	-	-	-	4,638,902	-	-	4,638,902	-	4,638,902
Rental Income	-	-	-	-	-	17,936	-	-	-	-	17,936	585,043	602,979
Grant Received	-	-	-	-	-	-	-	-	-	-	-	5,084,641	5,084,641
Trust Account Revenue	-	-	-	11,289,055	-	-	-	-	-	-	11,289,055	-	11,289,055
EAF AB145 Filing Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	1,181,836	1,181,836
Other Revenue	-	479,382	646,788	2,882	2,212	-	-	433,384	10,035	-	1,574,684	831,051	2,405,735
Application Fees	-	-	-	-	-	-	-	-	-	-	-	13,950,966	13,950,966
Legal Specialization Fees	-	-	-	-	859,360	-	-	-	-	-	859,360	-	859,360
Seminar/Workshop Revenue	-	-	-	-	-	-	-	41,867	-	-	41,867	830,947	872,814
Advertising Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	636,710	2,285,441	663,459	11,528,787	906,035	820,096	113,544	5,308,362	40,748	3,889	22,307,073	32,934,581	55,241,654
EXPENSES													
Grants	-	-	-	-	-	-	-	-	-	-	-	5,368,734	5,368,734
Administration of the Profession	-	-	-	-	-	-	-	-	-	-	-	799,313	799,313
Examination costs and Administration	-	-	-	-	-	-	-	-	-	-	-	8,216,011	8,216,011
Claims (net of reimbursement)	-	-	-	-	-	-	-	-	-	-	-	2,055,466	2,055,466
Law Practices (Sections)	-	-	-	-	-	-	-	2,041,622	-	-	2,041,622	-	2,041,622
General and Administrative	106	1,188,452	416,980	698,706	619,166	377,525	-	-	(1,763,063)	1	1,537,873	4,352,010	5,889,884
TOTAL EXPENSES	106	1,188,452	416,980	698,706	619,166	377,525	-	2,041,622	(1,763,063)	1	3,579,495	20,791,534	24,371,030
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	636,604	1,096,989	246,479	10,830,081	286,869	442,571	113,544	3,266,740	1,803,811	3,888	18,727,578	12,143,047	30,870,624
CHANGES IN NET ASSETS													
Net Assets at beginning of year	349,816	686,276	904,248	8,655,248	1,875,859	728,055	6,118,391	6,003,388	150,043	209,577	25,680,901	29,612,240	55,293,141
Transfers of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Transfers Between Funds	-	-	-	-	-	-	-	-	(186,170)	-	(186,170)	-	(186,170)
NET ASSETS AS OF JUNE 30, 2008	986,420	1,783,265	1,150,727	19,485,329	2,162,728	1,170,626	6,231,935	9,270,127	1,767,684	213,465	44,222,309	41,755,287	85,977,595

The State Bar of California
Budget to Actual Comparison-General Fund
For the Six Months Ending June 30, 2008

Attachment 7

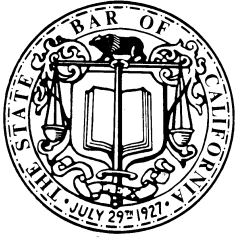
	Current Quarter Actual	Current Quarter Budget	Variance Favorable (Unfavorable)	Jun-08 Year to Date Actual	Jun-08 Year to Date Budget	Variance Favorable (Unfavorable)	Jun-07 Prior Year to Date Actual	Inc./(Dec.) From Prior Year	2008 Annual Budget
REVENUE									
Membership Fees	14,950,847	14,245,563	705,284	30,413,896	28,491,126	1,922,770	29,755,483	658,413	56,982,249
Investment Income	(58,806)	425,001	(483,807)	875,131	850,002	25,129	1,463,733	(588,602)	1,700,000
Convention Income	450	-	450	450	-	450	-	450	-
CalBar Journal Revenue	235,970	332,748	(96,778)	470,688	665,496	(194,808)	521,119	(50,431)	1,330,993
Grants	-	-	-	-	-	-	-	-	-
Continuing Legal Education	372,947	100,623	272,324	633,844	201,246	432,598	584,132	49,712	402,487
Seminar/Workshop Revenue	58,445	1,800	56,645	59,551	3,600	55,951	7,967	51,584	7,200
Other	191,842	139,440	52,402	343,297	278,880	64,417	307,758	35,539	557,758
TOTAL REVENUE	15,751,696	15,245,175	506,521	32,796,857	30,490,350	2,306,507	32,640,192	156,665	60,980,688
EXPENSES									
Discipline	14,108,296	13,585,488	(522,808)	26,040,383	25,812,306	(228,077)	23,924,039	2,116,344	52,834,306
Administration of Justice	313,044	228,444	(84,601)	514,159	442,749	(71,410)	371,374	142,785	899,549
Governance	812,790	995,291	182,501	1,582,920	1,939,383	356,463	1,971,325	(388,405)	3,977,557
Administration of the Profession	527,279	595,177	67,898	1,029,032	1,144,101	115,069	804,269	224,763	2,329,866
Program Development	515,032	497,673	(17,359)	922,318	948,764	26,446	793,901	128,417	1,946,057
Communications	907,821	774,590	(133,231)	1,571,527	1,511,811	(59,716)	1,328,653	242,874	3,059,686
Other	(2,691)	45,105	47,796	(108,728)	90,210	198,938	41,441	(150,169)	180,419
TOTAL EXPENSES	17,181,571	16,721,768	(459,804)	31,551,611	31,889,325	337,714	29,235,002	2,316,609	65,227,440
NET OPERATING SUPPLUS/DEFICIT	(1,429,875)	(1,476,593)	46,717	1,245,246	(1,398,975)	2,644,221	3,405,190	(2,159,944)	(4,246,751)

The State Bar of California
Budget to Actual Comparison - General Fund
Expenses by Function
For the Six Months Ending June 30, 2008

	Current Quarter Actual	Current Quarter Budget	Variance Favorable (Unfavorable)	Jun-08 Year to Date Actual	Jun-08 Year to Date Budget	Variance Favorable (Unfavorable)	Jun-07 Prior Year to Date Actual	Inc./(Dec.) From Prior Year	2008 Annual Budget
EXPENSES BY FUNCTION									
Enforcement									
Trial Counsel - Administration	3,180,585	2,895,139	(285,446)	5,984,771	5,744,578	(240,193)	5,445,418	539,353	11,927,574
Trial Unit - San Francisco	1,491,077	1,408,937	(82,140)	2,744,991	2,630,268	(114,723)	2,600,935	144,056	5,354,221
Trial Unit - Los Angeles	3,546,655	3,465,192	(81,463)	6,523,660	6,450,564	(73,096)	5,991,013	532,647	13,132,305
Intake	949,898	925,621	(24,277)	1,763,110	1,721,265	(41,845)	1,720,774	42,336	3,506,611
Central Administration Unit	1,227,066	1,314,147	87,081	2,172,608	2,458,371	285,763	2,084,363	88,245	5,012,915
Probation Unit	214,709	211,668	(3,041)	426,280	403,108	(23,172)	402,328	23,952	824,226
Total Enforcement	10,609,990	10,220,704	(389,286)	19,615,420	19,408,154	(207,266)	18,244,831	1,370,589	39,757,852
State Bar Court									
Presiding & Review Judges	212,557	116,161	(96,396)	361,283	216,253	(145,030)	292,494	68,789	440,791
Hearing Judges	339,676	257,380	(82,296)	649,344	479,814	(169,530)	457,320	192,024	969,296
Judicial Transitions	25,955	8,934	(17,021)	25,972	17,868	(8,104)	1,931	24,041	35,730
SBC Executive Committee	-	24	24	-	48	48	91	(91)	100
SBC - Sr. Executive	872,374	791,174	(81,200)	1,638,547	1,565,801	(72,746)	1,451,367	187,180	3,237,754
SBC - Sr. Executive Projects	-	16,164	16,164	-	32,328	32,328	16	(16)	64,650
Hearing/Administration - San Francisco	216,188	242,211	26,023	430,048	448,761	18,713	367,955	62,093	918,055
Hearing Counsel - LA/SF	317,502	321,995	4,493	598,180	599,796	1,616	538,716	59,464	1,205,145
Review Counsel/Clerk	266,198	223,016	(43,182)	464,196	411,905	(52,291)	399,991	64,205	837,351
SBC Reporter	2,141	14,199	12,058	3,234	28,398	25,164	3,474	(240)	56,786
Hearing/Effectuation/Administration	359,067	381,860	22,793	623,454	707,294	83,840	608,852	14,602	1,442,115
Total State Bar Court	2,611,658	2,373,118	(238,540)	4,794,258	4,508,266	(285,992)	4,122,207	672,051	9,207,773
Mandatory Fee Arbitration									
Mandatory Fee Arbitration	215,574	229,880	14,306	401,733	437,102	35,369	361,374	40,359	898,208
Agreement with Local Bar Associations	13,212	9,432	(3,780)	25,308	18,864	(6,444)	23,500	1,808	37,725
Total Mandatory Fee Arbitration	228,786	239,312	10,526	427,041	455,966	28,925	384,874	42,167	935,933
Professional Competence									
Disc. Cost Recovery	19,271	59,608	40,337	38,309	115,778	77,469	31,387	6,922	233,124
Lawyers' Personal Assistance	77,802	104,922	27,120	134,974	209,844	74,870	201,271	(66,297)	419,676
Publication 250	430	291	(139)	1,832	582	(1,250)	17,299	(15,467)	1,174
Professional Responsibility and Conduct	505,011	553,338	48,327	955,137	1,045,329	90,192	878,034	77,103	2,142,015
COPRAC - Publications	10,053	11,229	1,176	16,977	22,458	5,481	22,824	(5,847)	44,900
Committee on Professional Responsibility	92	984	892	2,848	1,968	(880)	11,887	(9,039)	3,938
Rules Revision Committee	45,203	21,981	(23,222)	53,587	43,962	(9,625)	9,425	44,162	87,921
Total Professional Competence	657,862	752,353	94,491	1,203,664	1,439,921	236,257	1,172,127	31,537	2,932,748
TOTAL DISCIPLINE	14,108,296	13,585,488	(522,808)	26,040,383	25,812,306	(228,077)	23,924,039	2,116,344	52,834,306

The State Bar of California
Budget to Actual Comparison - General Fund
Expenses by Function
For the Six Months Ending June 30, 2008

	Current Quarter Actual	Current Quarter Budget	Variance Favorable (Unfavorable)	Jun-08 Year to Date Actual	Jun-08 Year to Date Budget	Variance Favorable (Unfavorable)	Jun-07 Prior Year to Date Actual	Inc./ (Dec.) From Prior Year	2008 Annual Budget
EXPENSES BY FUNCTION									
Administration of Justice									
Commission on Judicial Nomination Evaluations	312,747	227,598	(85,149)	513,719	441,057	(72,662)	361,628	152,091	896,166
Attorney Civility Task Force	-	846	846	142	1,692	1,550	9,746	(9,604)	3,383
Sustainability Task Force	298	-	(298)	298	-	(298)	-	298	-
Total Administration of Justice	313,044	228,444	(84,601)	514,159	442,749	(71,410)	371,374	142,785	899,549
Governance									
Executive Director	48,814	111,213	62,399	88,429	204,971	116,542	184,690	(96,261)	409,249
Deputy Executive Director	71,630	132,187	60,557	138,216	241,451	103,235	232,984	(94,768)	482,617
Board of Governors	672,991	712,462	39,471	1,339,510	1,419,497	79,987	1,482,189	(142,679)	2,939,289
Elections	15,990	13,889	(2,101)	13,967	27,070	13,103	30,365	(16,398)	53,933
Appointments Administration	3,365	25,540	22,175	2,798	46,394	43,596	41,096	(38,298)	92,469
Total Governance	812,790	995,291	182,501	1,582,920	1,939,383	356,463	1,971,324	(388,404)	3,977,557
Administration of the Profession									
Member Records & Certification	128,139	344,657	216,518	245,607	13,776	(231,831)	278,927	(33,320)	28,848
Call Center	-	-	-	-	-	-	14,534	(14,534)	-
Senior Executive-Member Services	102,148	104,568	2,420	194,795	194,539	(256)	172,377	22,418	395,858
Member Services Center	263,580	104,339	(159,241)	526,336	842,828	316,492	271,520	254,816	1,728,355
Child and Family Support	123	669	546	196	14,340	14,144	288	(92)	15,690
Multijurisdictional Practice	33,289	40,944	7,655	62,098	78,618	16,520	66,623	(4,525)	161,115
Total Administration of the Profession	527,279	595,177	67,898	1,029,032	1,144,101	115,069	804,269	224,763	2,329,866
Program Development									
Program Development	354,936	340,511	(14,425)	654,181	647,478	(6,703)	526,222	127,959	1,332,335
California Young Lawyers Association	13,984	22,775	8,791	26,615	43,062	16,447	66,667	(40,052)	87,372
Program Development Project	18,314	21,462	3,148	22,208	42,924	20,716	1,171	21,037	85,847
Access to Justice	121,521	107,197	(14,324)	210,587	203,846	(6,741)	188,183	22,404	417,598
Committee on Delivery of Legal Services	6,277	5,728	(549)	8,727	11,454	2,727	11,659	(2,932)	22,905
Total Program Development	515,032	497,673	(17,359)	922,318	948,764	26,446	793,902	128,416	1,946,057
COMMUNICATIONS									
Media & Information Services	417,129	298,975	(118,154)	634,504	572,803	(61,701)	440,518	193,986	1,168,504
Bar Journal	490,692	475,615	(15,077)	937,023	939,008	1,985	888,135	48,888	1,891,182
Total Communications	907,821	774,590	(133,231)	1,571,527	1,511,811	(59,716)	1,328,653	242,874	3,059,686
OTHER									
	(2,691)	45,105	47,796	(108,728)	90,210	198,938	41,441	(150,169)	180,418
SUBTOTAL THIS PAGE	3,073,275	3,136,280	63,004	5,511,228	6,077,018	565,790	5,310,963	200,265	12,393,134
TOTAL DISCIPLINE FROM PAGE 1	14,108,296	13,585,488	(522,808)	26,040,383	25,812,306	(228,077)	23,924,039	2,116,344	52,834,306
TOTAL GENERAL FUND EXPENSE BY FUNCTION	17,181,571	16,721,768	(459,804)	31,551,611	31,889,325	337,714	29,235,002	2,316,609	65,227,440



THE STATE BAR OF CALIFORNIA

FINANCE

180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639

TEL (415) 538-2200

MEMORANDUM

DATE: October 21, 2008
TO: Board of Governors
FROM: Peggy Van Horn, Chief Financial Officer
SUBJECT: 3rd Quarter 2008 Financial Statements – Financial Highlights

Attached for your review are the 2008 third quarter financial statements for the State Bar of California. The financial Highlights are as follows:

- Attachment 1 – Assets, Liabilities & Net Assets – All Funds
- Attachment 2 – Assets, Liabilities & Net Assets – General Fund
- Attachment 3 – Assets, Liabilities & Net Assets – Restricted Funds
- Attachment 4 – Revenue, Expenses and Changes in Net Assets – All Funds
- Attachment 5 – Revenue, Expenses and Changes in Net Assets – General Fund
- Attachment 6 – Revenue, Expenses and Changes in Net Assets – Restricted Funds
- Attachment 7 – Budget to Actual Comparison – General Fund
- Attachment 8 – Budget to Actual Comparison – General Fund Expenses by Function

Statement of Assets, Liabilities & Net Assets:

This statement reports the Bar's assets, liabilities and net assets. For the quarter ended September 30, 2008, the Bar's total assets are \$149.1 million, liabilities are \$47.8 million and net assets are \$101.3 million. The General Fund, the Bar's largest operating fund, has assets of \$44.6 million, liabilities of \$33 million and net assets of \$11.6 million. Individual statements for the General Fund and the restricted funds are included for your reference.

Statement of Revenue, Expenses and Changes in Net Assets

This statement reports the Bar's revenues, expenses, excess (deficiency) of revenues over expenses and changes in net assets. For the quarter ended September 30, 2008, the Bar's total

revenues (operating and non-operating) are \$117.6 million, and expenses are \$102.5 million, resulting in a surplus of \$15.1 million.

The General Fund's total revenues through the end of third quarter are \$48.3 million, which represents a \$0.3 million decrease from the total revenues of \$48.6 million for the third quarter ended 2007. The decrease is attributable to a decrease in investment income of \$0.9 million due to the financial crisis in the current year, partially offset by an increase in membership fees for \$0.6 million.

Budget to Actual Comparison – General Fund

Each quarter, a budget to actual comparison report for the General Fund is prepared. This statement is designed to provide the Board with information about how the actual performance of the General Fund's revenues and expenses compares with anticipated (budgeted) results. The report includes a quarterly budget comparison as well as year to date and prior year comparison.

Year to date, the General Fund's total revenues reflect a favorable variance of \$2.6 million, which represents 5.7% of the year-to-date budget. The variance is due to a \$2.3 million increase in membership fees, a \$0.6 million increase in continuing legal education and other revenue, partially offset by a \$0.3 million decrease in the CalBar Journal revenue.

Total General Fund expenses through the third quarter show a favorable variance of \$0.8 million, which reflects the decreases in governance functional areas.

The General Fund Budget to Actual Comparison Expenses by Function report reflects the expense variance by functional area, and variances at the total program level are insignificant.

The State Bar of California
Statement of Assets, Liabilities and Net Assets - All Funds
As of September 30, 2008

Attachment 1

	General Fund	Restricted Funds	Fixed Asset Fund	YTD Total All Funds September-08	YTD Total All Funds September-07	Change
ASSETS						
Cash	11,211,044	50	-	11,211,094	15,862,484	(4,651,390)
Accounts Receivable (net of allowances)	2,259,639	1,856,540	-	4,116,179	4,542,709	(426,530)
Interfund Receivable/Payable	(66,652,386)	66,652,386	-	-	-	-
Capital Assets (net of depreciation)	-	15,052,674	20,316,072	35,368,746	36,868,621	(1,499,875)
Investments	96,979,586	-	-	96,979,586	79,707,432	17,272,154
Other Assets	855,184	589,684	-	1,444,868	1,196,333	248,535
TOTAL ASSETS	44,653,067	84,151,334	20,316,072	149,120,473	138,177,579	10,942,894
LIABILITIES AND NET ASSETS						
Accounts Payable and Accrued Liabilities	7,893,211	6,935,848	-	14,829,059	10,129,702	4,699,357
Unearned Fees Collected in Advance	14,820,165	10,490	-	14,830,655	15,300,016	(469,361)
Grants Payable	-	7,819,977	-	7,819,977	10,479,606	(2,659,629)
Accrued Postretirement Benefits	10,340,658	-	-	10,340,658	8,362,109	1,978,549
Obligations under Debt Agreements	-	-	-	-	617,568	(617,568)
TOTAL LIABILITIES	33,054,034	14,766,315	-	47,820,349	44,889,001	2,931,348
NET ASSETS						
Net Assets at Beginning of Year	9,852,083	55,293,141	21,043,308	86,188,532	74,852,886	11,335,646
Current Operating Excess (Deficit)	1,746,950	14,349,898	(985,256)	15,111,592	18,435,692	(3,324,100)
Transfer of Fixed Assets to Fixed Assets Fund	-	(258,020)	258,020	-	-	-
Other Transfers Between Funds	-	-	-	-	-	-
TOTAL NET ASSETS	11,599,033	69,385,019	20,316,072	101,300,124	93,288,578	8,011,546
TOTAL LIABILITIES & NET ASSETS	44,653,067	84,151,334	20,316,072	149,120,473	138,177,579	10,942,894

The State Bar of California
Statement of Assets, Liabilities and Net Assets - General Fund
As of September 30, 2008

Attachment 2

	<u>Year to Date Total September-08</u>	<u>Year to Date Total September-07</u>	<u>Change</u>
ASSETS			
Cash	11,211,044	15,862,434	(4,651,390)
Accounts Receivable (net of allowances)	2,259,639	2,838,972	(579,333)
Interfund Receivable/Payable	(66,652,386)	(59,478,305)	(7,174,081)
Capital Assets (net of depreciation)	-	18,932	(18,932)
Investments	96,979,586	79,707,432	17,272,154
Other Assets	855,184	651,501	203,683
TOTAL ASSETS	<u><u>44,653,067</u></u>	<u><u>39,600,966</u></u>	<u><u>5,052,101</u></u>
LIABILITIES AND NET ASSETS			
Accounts Payable and Accrued Liabilities	7,893,211	3,376,616	4,516,595
Unearned Fees Collected in Advance	14,820,165	15,277,305	(457,140)
Accrued Postretirement Benefits	10,340,658	8,362,109	1,978,549
Obligations under Debt Agreements	-	21,735	(21,735)
TOTAL LIABILITIES	<u><u>33,054,034</u></u>	<u><u>27,037,765</u></u>	<u><u>6,016,269</u></u>
NET ASSETS			
Net Assets at Beginning of Year	9,852,083	6,563,422	3,288,661
Current Operating Excess (Deficit)	1,746,950	5,999,779	(4,252,829)
Transfer of Fixed Assets to Fixed Assets Fund	-	-	-
Other Transfers Between Funds	-	-	-
TOTAL NET ASSETS	<u><u>11,599,033</u></u>	<u><u>12,563,201</u></u>	<u><u>(964,168)</u></u>
TOTAL LIABILITIES & NET ASSETS	<u><u>44,653,067</u></u>	<u><u>39,600,966</u></u>	<u><u>5,052,101</u></u>

The State Bar of California
Statement of Assets, Liabilities and Net Assets - Restricted Funds
As of September 30, 2008

	Admissions	Annual Meeting	Building	Certification Activity	Client Security	Discipline	Education Foundation	Elimination of Bias	Equal Access	Grants	Info Tech Special Assess	Totals A-I
ASSETS												
Cash	50	-	-	-	-	-	-	-	-	-	-	50
Accounts Receivable (net of allowances)	434	-	-	-	-	-	-	-	125,000	81,106	-	206,540
Interfund Receivable/Payable	6,348,314	718,141	(92,415)	3,425,942	10,652,367	1,127,642	(309,118)	1,106,112	1,660,646	36,349	1,603,382	26,277,361
Capital Assets (net of depreciation)	-	-	15,052,674	-	-	-	-	-	-	-	-	15,052,674
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	78,672	-	151,870	-	-	-	-	-	-	-	-	230,542
TOTAL ASSETS	6,427,470	718,141	15,112,129	3,425,942	10,652,367	1,127,642	(309,118)	1,106,112	1,785,646	117,455	1,603,382	41,767,167
LIABILITIES AND NET ASSETS												
Accounts Payable and Accrued Liabilities	285,801	18,243	73,317	41,900	5,567,725	-	-	15,804	-	-	10	6,002,800
Unearned Fees Collected in Advance	-	-	-	-	-	-	-	-	-	-	-	-
Grants Payable	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Postretirement Benefits	-	-	-	-	-	-	-	-	-	-	-	-
Obligations under Debt Agreements	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	285,801	18,243	73,317	41,900	5,567,725	-	-	15,804	-	-	10	6,002,800
NET ASSETS												
Net Assets at Beginning of Year	3,852,695	438,307	15,711,077	3,114,377	2,990,888	1,153,924	-	904,826	1,358,129	88,024	(7)	29,612,240
Current Operating Excess (Deficit)	2,288,974	261,591	(672,265)	269,665	2,093,754	(26,282)	(309,118)	185,482	427,517	29,431	1,603,379	6,152,127
Transfer of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	-	-	-	-
Other Transfers Between Funds	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS	6,141,669	699,898	15,038,812	3,384,042	5,084,642	1,127,642	(309,118)	1,090,308	1,785,646	117,455	1,603,372	35,764,367
TOTAL LIABILITIES & NET ASSETS	6,427,470	718,141	15,112,129	3,425,942	10,652,367	1,127,642	(309,118)	1,106,112	1,785,646	117,455	1,603,382	41,767,167

The State Bar of California
Statement of Assets, Liabilities and Net Assets - Restricted Funds
As of September 30, 2008

Attachment 3
Page 2 of 2

	Justice Gap	Lawyers Assistance Program	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	Public Protection	Sections	Support & Administration	Technology Improvement	Total page J-T	Total page A-I	All Restricted Funds
ASSETS													
Cash	-	-	-	-	-	-	-	-	-	-	-	50	50
Accounts Receivable (net of allowances)	-	-	-	1,650,000	-	-	-	-	-	-	1,650,000	206,540	1,856,540
Interfund Receivable/Payable	1,035,370	1,532,555	970,371	16,369,134	1,935,312	1,030,959	6,256,648	8,609,229	3,275,591	(640,144)	40,375,025	26,277,361	66,652,386
Capital Assets (net of depreciation)	-	-	-	-	-	-	-	-	-	-	-	15,052,674	15,052,674
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	45,710	313,432	-	359,142	230,542	589,684
TOTAL ASSETS	1,035,370	1,532,555	970,371	18,019,134	1,935,312	1,030,959	6,256,648	8,654,939	3,589,023	(640,144)	42,384,167	41,767,167	84,151,334
LIABILITIES AND NET ASSETS													
Accounts Payable and Accrued Liabilities	-	41,784	1,059	57,831	9,520	27,401	-	97,386	698,067	-	933,048	6,002,800	6,935,848
Unearned Fees Collected in Advance	100	-	-	-	-	-	-	10,390	-	-	10,490	-	10,490
Grants Payable	-	-	-	7,819,977	-	-	-	-	-	-	7,819,977	-	7,819,977
Accrued Postretirement Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-
Obligations under Debt Agreements	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	100	41,784	1,059	7,877,808	9,520	27,401	-	107,776	698,067	-	8,763,515	6,002,800	14,766,315
NET ASSETS													
Net Assets at Beginning of Year	349,816	686,276	904,248	8,655,248	1,875,859	728,055	6,118,391	6,003,388	150,044	209,577	25,680,902	29,612,240	55,293,141
Current Operating Excess (Deficit)	685,454	804,495	65,064	1,486,078	49,933	275,503	138,257	2,543,775	2,888,367	(739,156)	8,197,770	6,152,127	14,349,898
Transfer of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	(147,455)	(110,565)	(258,020)	-	(258,020)
Other Transfers Between Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS	1,035,270	1,490,771	969,312	10,141,326	1,925,792	1,003,558	6,256,648	8,547,163	2,890,956	(640,144)	33,620,652	35,764,367	69,385,019
TOTAL LIABILITIES & NET ASSETS	1,035,370	1,532,555	970,371	18,019,134	1,935,312	1,030,959	6,256,648	8,654,939	3,589,023	(640,144)	42,384,167	41,767,167	84,151,334

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - All Funds
For the Nine Months Ending September 30, 2008

Attachment 4

	General Fund	Restricted Funds	Fixed Asset Fund	Total All Funds Year to Date Sep-08	Total All Funds Year to Date Sep-07	Change	Percentage Change
OPERATING REVENUES:							
Membership Fees, Voluntary Contributions	45,037,665	12,322,852	-	57,360,518	55,417,137	1,943,381	3.51%
Convention Income	450	978,626	-	979,076	919,429	59,647	6.49%
Law Corporation Registration Fees	-	680,765	-	680,765	650,473	30,292	4.66%
Continuing Legal Education Fees	791,249	536,935	-	1,328,184	1,377,354	(49,170)	-3.57%
Law Practices Sections Fees	-	4,666,764	-	4,666,764	4,511,948	154,816	3.43%
Grants Received	-	7,452,312	-	7,452,312	6,579,966	872,346	13.26%
Trust Account Revenue	-	17,660,250	-	17,660,250	13,367,513	4,292,737	32.11%
EAF AB145 Filing Fee Revenue	-	2,427,879	-	2,427,879	3,813,283	(1,385,404)	-36.33%
Other Revenue	525,155	3,112,175	-	3,637,330	2,773,348	863,982	31.15%
Examination Application Fees	-	15,048,920	-	15,048,920	15,117,823	(68,903)	-0.46%
Legal Specialization Fees	-	880,960	-	880,960	1,015,622	(134,662)	-13.26%
Seminar/Workshop Revenue	61,591	1,083,780	-	1,145,371	857,766	287,605	33.53%
CalBar Journal Revenue	683,410	-	-	683,410	803,469	(120,059)	-14.94%
Total Operating Revenue	47,099,520	66,852,218	-	113,951,738	107,205,131	6,746,607	6.29%
OPERATING EXPENSES:							
Discipline and Adjudication	38,350,788	-	-	38,350,788	34,855,467	3,495,321	10.03%
Grant Expenses	-	24,644,695	-	24,644,695	21,560,841	3,083,854	14.30%
Administration of Justice	679,725	-	-	679,725	572,274	107,451	18.78%
Governance	2,343,929	-	-	2,343,929	2,870,534	(526,605)	-18.35%
Administration of the Profession	1,716,095	1,231,446	-	2,947,541	2,424,126	523,415	21.59%
Program Development	1,421,416	-	-	1,421,416	1,151,660	269,756	23.42%
Communications	2,261,999	-	-	2,261,999	1,960,281	301,718	15.39%
Examination costs and administration	-	13,266,709	-	13,266,709	12,287,191	979,518	7.97%
Law Practices (Sections)	-	2,928,770	-	2,928,770	2,763,054	165,716	6.00%
Claims (net of reimbursements)	-	3,401,633	-	3,401,633	3,282,320	119,313	3.64%
General and Administrative costs	-	9,407,092	985,256	10,392,348	10,222,123	170,225	1.67%
Other	(158,172)	-	-	(158,172)	18,117	(176,289)	-973.06%
Total Operating Expenses	46,615,780	54,880,345	985,256	102,481,381	93,967,988	8,513,393	9.06%
OPERATING INCOME/(LOSS)	483,740	11,971,873	(985,256)	11,470,357	13,237,143	(1,766,786)	-13.35%
NON-OPERATING REVENUE:							
Investment Income	1,263,210	1,491,915	-	2,755,125	4,408,808	(1,653,683)	-37.51%
Rental Income	-	886,108	-	886,108	789,741	96,367	12.20%
Total Non-Operating Revenue	1,263,210	2,378,023	-	3,641,233	5,198,549	(1,557,316)	-29.96%
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	1,746,950	14,349,898	(985,256)	15,111,592	18,435,692	(3,324,100)	-18.03%
CHANGES IN NET ASSETS:							
Net Assets at beginning of year	9,852,083	55,293,141	21,043,308	86,188,532	74,852,886	11,335,646	15.14%
Transfers of Fixed Assets to Fixed Asset Fund	-	(258,020)	258,020	-	-	-	-
NET ASSETS AS OF September 30, 2008	11,599,033	69,385,019	20,316,072	101,300,124	93,288,578	8,011,546	8.59%

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - General Fund
For the Nine Months Ending September 30, 2008

Attachment 5

	Year to Date September-08	Year to Date September-07	Change
OPERATING REVENUES			
Membership Fee, Voluntary Contributions and Attorney Applications	45,037,665	44,460,417	577,248
Convention Income	450	-	450
Continuing Legal Education Fees	791,249	768,654	22,595
Grants	-	6,000	(6,000)
Other	525,155	416,616	108,539
Seminar/Workshop Revenue	61,591	7,967	53,624
CalBar Journal Revenue	683,410	803,469	(120,059)
Total Operating Revenue	47,099,520	46,463,123	636,397
OPERATING EXPENSES:			
Discipline & Adjudication	38,350,788	34,855,467	3,495,321
Administration of Justice	679,725	572,274	107,451
Governance	2,343,929	2,870,534	(526,605)
Administration of the Profession	1,716,095	1,220,533	495,562
Program Development	1,421,416	1,151,660	269,756
Communications	2,261,999	1,960,281	301,718
Other	(158,172)	18,117	(176,289)
Total Operating Expenses	46,615,780	42,648,866	3,966,915
OPERATING INCOME/(LOSS)	483,740	3,814,257	(3,330,518)
NON-OPERATING REVENUE			
Investment Income	1,263,210	2,185,522	(922,312)
Total Non-Operating Revenue	1,263,210	2,185,522	(922,312)
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENSES	1,746,950	5,999,779	(4,252,829)
NET ASSETS			
Net Assets at beginning of year	9,852,083	6,563,422	3,288,661
Transfers of Fixed Assets to Fixed Assets Fund	-	-	-
Transfer between Funds	-	-	-
NET ASSETS AS OF September 30, 2008	11,599,033	12,563,201	(964,168)

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds
For the Nine Months Ending September 30, 2008

Attachment 6
Page 1 of 2

	Admissions	Annual Meeting	Building	Certification Activities	Client Security	Discipline	Education Foundation	Elimination of Bias	Equal Access	Grants	Info Tech Special Assess	Totals A-I
REVENUE												
Membership Fees & voluntary dues	-	-	9,428	-	6,694,629	-	-	792,335	-	-	1,577,973	9,074,365
Investment Income	190,618	13,627	8,730	71,394	263,443	25,217	(1,219)	28,611	30,712	-	25,406	656,539
Convention Income	-	729,202	-	-	-	-	220,000	-	-	-	-	949,202
Law Corporation Registration Fees	-	-	-	680,765	-	-	-	-	-	-	-	680,765
Continuing Legal Education Fees	-	-	-	532,510	-	-	-	-	-	-	-	532,510
Rental Income	-	-	858,464	-	-	-	-	-	-	-	-	858,464
Grant Received	-	-	-	-	-	-	-	6,400	6,953,829	492,083	-	7,452,312
EAF AB145 Filing Fee Revenue	-	-	-	-	-	-	-	-	2,427,879	-	-	2,427,879
Other	316,145	112,726	-	216,443	-	-	125,148	-	405,257	-	-	1,175,719
Application Fees	15,048,920	-	-	-	-	-	-	-	-	-	-	15,048,920
Seminar/Workshop Revenue	-	-	-	-	-	-	1,029,269	-	-	-	-	1,029,269
TOTAL REVENUE	15,555,683	855,555	876,621	1,501,111	6,958,072	25,217	1,373,198	827,346	9,817,677	492,083	1,603,379	39,885,943
EXPENSES												
Grant Expenses	-	-	-	-	-	-	-	-	9,117,587	-	-	9,117,587
Administration of the Profession	-	-	-	1,231,446	-	-	-	-	-	-	-	1,231,446
Examination Costs and Administration	13,266,709	-	-	-	-	-	-	-	-	-	-	13,266,709
Claims (net of reimbursement)	-	-	-	-	3,401,633	-	-	-	-	-	-	3,401,633
General and Administrative	-	593,964	1,548,886	-	1,462,685	51,499	1,682,316	641,864	272,573	462,652	-	6,716,439
TOTAL EXPENSES	13,266,709	593,964	1,548,886	1,231,446	4,864,319	51,499	1,682,316	641,864	9,390,160	462,652	-	33,733,814
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES												
	2,288,974	261,591	(672,265)	269,665	2,093,754	(26,282)	(309,118)	185,482	427,517	29,431	1,603,379	6,152,128
CHANGES IN NET ASSETS												
Net Assets at beginning of year	3,852,695	438,307	15,711,077	3,114,377	2,990,888	1,153,924	-	904,826	1,358,129	88,024	(7)	29,612,240
Transfers of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	-	-	-	-
NET ASSETS AS OF SEPTEMBER 30, 2008	6,141,669	699,898	15,038,812	3,384,042	5,084,642	1,127,642	(309,118)	1,090,308	1,785,646	117,455	1,603,372	35,764,368

The State Bar of California
Statement of Revenue, Expenses and Changes in Net Assets - Restricted Funds
For the Nine Months Ending September 30, 2008

Attachment 6
Page 2 of 2

	Justice Gap	Lawyer Assistance	Legal Education & Development	Legal Services Trust	Legal Specialization	Legislative Activities	Public Protection	Sections	Support & Administration	Technology Improvement	Totals J-T	Totals A-I	Totals Restricted Funds
REVENUE													
Membership Fees & voluntary dues	667,909	1,789,839	-	-	-	780,705	-	-	10,035	-	3,248,488	9,074,365	12,322,852
Investment Income	17,651	37,579	21,871	309,657	49,459	25,610	138,257	193,208	37,802	4,282	835,376	656,539	1,491,915
Convention Income	-	-	-	-	-	-	-	29,424	-	-	29,424	949,202	978,626
Law Corporation Registration Fees	-	-	-	-	-	-	-	-	-	-	-	680,765	680,765
Continuing Legal Education Revenue	-	-	-	-	4,425	-	-	-	-	-	4,425	532,510	536,935
Law Practices (Sections) Revenue	-	-	-	-	-	-	-	4,666,764	-	-	4,666,764	-	4,666,764
Rental Income	-	-	-	-	-	27,645	-	-	-	-	27,645	858,464	886,108
Grant Received	-	-	-	-	-	-	-	-	-	-	-	7,452,312	7,452,312
Trust Account Revenue	-	-	-	17,660,250	-	-	-	-	-	-	17,660,250	-	17,660,250
EAF AB145 Filing Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	2,427,879	2,427,879
Other	-	725,398	675,190	4,356	2,876	-	-	528,638	-	-	1,936,457	1,175,719	3,112,175
Application Fees	-	-	-	-	-	-	-	-	-	-	-	15,048,920	15,048,920
Legal Specialization Fees	-	-	-	-	880,960	-	-	-	-	-	880,960	-	880,960
Seminar/Workshop Revenue	-	-	-	-	-	-	-	54,511	-	-	54,511	1,029,269	1,083,780
TOTAL REVENUE	685,560	2,552,816	697,061	17,974,263	937,720	833,960	138,257	5,472,545	47,837	4,282	29,344,299	39,885,943	69,230,242
EXPENSES													
Grant Expenses	-	-	-	15,527,108	-	-	-	-	-	-	15,527,108	9,117,587	24,644,695
Administration of the Profession	-	-	-	-	-	-	-	-	-	-	-	1,231,446	1,231,446
Examination costs and Administration	-	-	-	-	-	-	-	-	-	-	-	13,266,709	13,266,709
Claims (net of reimbursement)	-	-	-	-	-	-	-	-	-	-	-	3,401,633	3,401,633
Law Practices (Sections)	-	-	-	-	-	-	-	2,928,770	-	-	2,928,770	-	2,928,770
General and Administrative	106	1,748,321	631,998	961,076	887,787	558,457	-	-	(2,840,530)	743,438	2,690,653	6,716,439	9,407,092
TOTAL EXPENSES	106	1,748,321	631,998	16,488,184	887,787	558,457	-	2,928,770	(2,840,530)	743,438	21,146,531	33,733,814	54,880,345
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES													
	685,454	804,495	65,064	1,486,078	49,933	275,503	138,257	2,543,775	2,888,367	(739,156)	8,197,768	6,152,128	14,349,898
CHANGES IN NET ASSETS													
Net Assets at beginning of year	349,816	686,276	904,248	8,655,248	1,875,859	728,055	6,118,391	6,003,388	150,043	209,577	25,680,901	29,612,240	55,293,141
Transfers of Fixed Assets to Fixed Assets Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Transfers Between Funds	-	-	-	-	-	-	-	-	(147,455)	(110,565)	(258,020)	-	(258,020)
NET ASSETS AS OF SEPTEMBER 30, 2008	1,035,270	1,490,771	969,312	10,141,326	1,925,792	1,003,558	6,256,648	8,547,163	2,890,955	(640,143)	33,620,650	35,764,368	69,385,019

The State Bar of California
Budget to Actual Comparison-General Fund
For the Nine Months Ending September 30, 2008

Attachment 7

	Current Quarter Actual	Current Quarter Budget	Variance Favorable (Unfavorable)	Sep-08 Year to Date Actual	Sep-08 Year to Date Budget	Variance Favorable (Unfavorable)	Sep-07 Prior Year to Date Actual	Inc./(Dec.) From Prior Year	2008 Annual Budget
REVENUE									
Membership Fees	14,623,769	14,245,563	378,206	45,037,665	42,736,689	2,300,976	44,460,417	577,248	56,982,249
Investment Income	388,079	425,001	(36,922)	1,263,210	1,275,003	(11,793)	2,185,522	(922,312)	1,700,000
Convention Income	-	-	-	450	-	450	-	450	-
CalBar Journal Revenue	212,722	332,748	(120,026)	683,410	998,244	(314,834)	803,469	(120,059)	1,330,993
Grants Received	-	-	-	-	-	-	6,000	(6,000)	-
Continuing Legal Education	157,405	100,623	56,782	791,249	301,869	489,380	768,654	22,595	402,487
Seminar/Workshop Revenue	2,040	1,800	240	61,591	5,400	56,191	7,967	53,624	7,200
Other	181,858	139,440	42,418	525,155	418,320	106,835	416,616	108,539	557,758
TOTAL REVENUE	15,565,873	15,245,175	320,698	48,362,730	45,735,525	2,627,205	48,648,645	(285,915)	60,980,688
EXPENSES									
Discipline	12,310,406	12,545,637	235,231	38,350,789	38,357,944	7,155	34,855,467	3,495,322	52,834,306
Administration of Justice	165,566	216,994	51,428	679,725	659,743	(19,982)	572,274	107,451	899,549
Governance	761,009	951,700	190,691	2,343,929	2,891,083	547,154	2,870,534	(526,605)	3,977,557
Administration of the Profession	687,064	551,708	(135,356)	1,716,096	1,695,809	(20,287)	1,220,533	495,563	2,329,866
Program Development	499,098	463,953	(35,145)	1,421,416	1,412,717	(8,699)	1,151,660	269,756	1,946,057
Communications	690,472	744,383	53,911	2,261,999	2,256,194	(5,805)	1,960,281	301,718	3,059,686
Other	(49,445)	45,105	94,550	(158,173)	135,315	293,488	18,118	(176,291)	180,419
TOTAL EXPENSES	15,064,170	15,519,480	455,310	46,615,780	47,408,805	793,024	42,648,867	3,966,914	65,227,440
NET OPERATING SUPLUS/DEFICIT	501,703	(274,305)	776,008	1,746,950	(1,673,280)	3,420,229	5,999,778	(4,252,829)	(4,246,751)

The State Bar of California
Budget to Actual Comparison - General Fund
Expenses by Function
For the Nine Months Ending September 30, 2008

	Current Quarter Actual	Current Quarter Budget	Variance Favorable (Unfavorable)	Sep-08 Year to Date Actual	Sep-08 Year to Date Budget	Variance Favorable (Unfavorable)	Sep-07 Prior Year to Date Actual	Inc./Dec.) From Prior Year	2008 Annual Budget
EXPENSES BY FUNCTION									
Enforcement									
Trial Counsel - Administration	2,832,661	2,853,866	21,205	8,817,432	8,598,444	(218,988)	7,854,762	962,670	11,927,574
Trial Unit - San Francisco	1,303,754	1,266,583	(37,171)	4,048,745	3,896,851	(151,894)	3,788,770	259,975	5,354,221
Trial Unit - Los Angeles	3,131,716	3,100,891	(30,825)	9,655,376	9,551,455	(103,921)	8,771,590	883,786	13,132,305
Intake	822,826	824,933	2,107	2,585,936	2,546,198	(39,738)	2,479,897	106,039	3,506,611
Central Administration Unit	1,088,376	1,187,674	99,298	3,260,984	3,646,045	385,061	2,998,717	262,267	5,012,915
Quality Assurance	-	-	-	-	-	-	69	(69)	-
Probation Unit	202,123	196,000	(6,123)	628,403	599,108	(29,295)	575,200	53,203	824,226
Total Enforcement	9,381,456	9,429,947	48,491	28,996,876	28,838,101	(158,775)	26,469,005	2,527,871	39,757,852
State Bar Court									
Presiding & Review Judges	105,776	104,897	(879)	467,059	321,150	(145,909)	429,341	37,718	440,791
Hearing Judges	299,429	231,390	(68,039)	948,773	711,204	(237,569)	727,587	221,186	969,296
Judicial Transitions	9,579	8,934	(645)	35,551	26,802	(8,749)	3,076	32,475	35,730
SBC Executive Committee	1	24	23	1	72	71	91	(90)	100
SBC - Sr. Executive	778,222	776,994	(1,228)	2,416,769	2,342,795	(73,974)	2,172,410	244,359	3,237,754
SBC - Sr. Executive Projects	5,409	16,164	10,755	5,409	48,492	43,083	-	5,409	64,650
Hearing/Administration - San Francisco	196,642	216,648	20,006	626,690	665,409	38,719	546,509	80,181	918,055
Hearing Counsel - LA/SF	274,677	283,627	8,950	872,857	883,423	10,566	771,253	101,604	1,205,145
Review Counsel/Clerk	224,060	197,734	(26,326)	688,256	609,639	(78,617)	592,332	95,924	837,351
SBC Reporter	5,146	14,199	9,053	8,380	42,597	34,217	5,209	3,171	56,786
Hearing/Effectuation/Administration	289,363	340,691	51,328	912,817	1,047,985	135,168	871,877	40,940	1,442,115
Total State Bar Court	2,188,304	2,191,302	2,998	6,982,562	6,699,568	(282,994)	6,119,685	862,877	9,207,773
Mandatory Fee Arbitration									
Mandatory Fee Arbitration	179,854	212,746	32,892	581,587	649,848	68,261	516,496	65,091	898,208
Agreement with Local Bar Associations	18,684	9,432	(9,252)	43,992	28,296	(15,696)	37,576	6,416	37,725
Total Mandatory Fee Arbitration	198,538	222,178	23,640	625,579	678,144	52,565	554,072	71,507	935,933
Professional Competence									
Disc. Cost Recovery	16,443	56,947	40,504	54,752	172,725	117,973	46,767	7,985	233,124
Lawyers' Personal Assistance	30,873	104,922	74,049	165,847	314,766	148,919	276,059	(110,212)	419,676
Publication 250	2,544	291	(2,253)	4,376	873	(3,503)	18,449	(14,073)	1,174
Professional Responsibility and Conduct	454,579	505,856	51,277	1,409,716	1,551,185	141,469	1,277,048	132,668	2,142,015
COPRAC - Publications	15,513	11,229	(4,284)	32,490	33,687	1,197	32,266	224	44,900
Committee on Professional Responsibility	2	984	982	2,850	2,952	102	12,983	(10,133)	3,938
Rules Revision Committee	22,154	21,981	(173)	75,741	65,943	(9,798)	49,133	26,608	87,921
Total Professional Competence	542,108	702,210	160,102	1,745,772	2,142,131	396,359	1,712,705	33,067	2,932,748
TOTAL DISCIPLINE	12,310,406	12,545,637	235,231	38,350,789	38,357,944	7,155	34,855,467	3,495,322	52,834,306

The State Bar of California
Budget to Actual Comparison - General Fund
Expenses by Function
For the Nine Months Ending September 30, 2008

	Current Quarter Actual	Current Quarter Budget	Variance Favorable (Unfavorable)	Sep-08 Year to Date Actual	Sep-08 Year to Date Budget	Variance Favorable (Unfavorable)	Sep-07 Prior Year to Date Actual	Inc./.(Dec.) From Prior Year	2008 Annual Budget
EXPENSES BY FUNCTION									
Administration of Justice									
Commission on Judicial Nomination Evaluations	165,566	216,148	50,582	679,285	657,205	(22,080)	558,735	120,550	896,166
Attorney Civility Task Force	-	846	846	142	2,538	2,396	13,539	(13,397)	3,383
Sustainability Task Force	-	-	-	298	-	(298)	-	298	-
Total Administration of Justice	165,566	216,994	51,428	679,725	659,743	(19,982)	572,274	107,451	899,549
Governance									
Executive Director	37,326	95,113	57,787	125,755	300,084	174,329	268,687	(142,932)	409,249
Deputy Executive Director	64,121	111,985	47,864	202,337	353,436	151,099	348,074	(145,737)	482,617
Board of Governors	656,040	709,014	52,974	1,995,550	2,128,511	132,961	2,151,044	(155,494)	2,939,289
Elections	1,542	13,481	11,939	15,509	40,551	25,042	45,156	(29,647)	53,933
Appointments Administration	1,980	22,107	20,127	4,778	68,501	63,723	57,573	(52,795)	92,469
Total Governance	761,009	951,700	190,691	2,343,929	2,891,083	547,154	2,870,534	(526,605)	3,977,557
Administration of the Profession									
Member Records & Certification	115,195	6,888	(108,307)	360,802	20,664	(340,138)	439,110	(78,308)	28,848
Call Center	-	-	-	-	-	-	14,534	(14,534)	-
Senior Executive-Member Services	90,582	92,419	1,837	285,377	286,958	1,581	250,390	34,987	395,858
Member Services Center	450,820	413,172	(37,648)	977,156	1,256,000	278,844	419,682	557,474	1,728,355
Child and Family Support	64	669	605	260	15,009	14,749	2,512	(2,252)	15,690
Multijurisdictional Practice	30,403	38,560	8,157	92,501	117,178	24,677	94,305	(1,804)	161,115
Total Administration of the Profession	687,064	551,708	(135,356)	1,716,096	1,695,809	(20,287)	1,220,533	495,563	2,329,866
Program Development									
Program Development	275,525	317,697	42,172	929,706	965,175	35,469	783,398	146,308	1,332,335
California Young Lawyers Association	13,899	20,768	6,869	40,514	63,830	23,316	81,405	(40,891)	87,372
Program Development Project	112,051	21,462	(90,589)	134,259	64,386	(69,873)	1,367	132,892	85,847
Access to Justice	95,394	98,299	2,905	305,981	302,145	(3,836)	269,930	36,051	417,598
Access / Fairness Program	-	-	-	-	-	-	12	(12)	-
Committee on Delivery of Legal Services	2,229	5,727	3,498	10,956	17,181	6,225	15,548	(4,592)	22,905
Total Program Development	499,098	463,953	(35,145)	1,421,416	1,412,717	(8,699)	1,151,660	269,756	1,946,057
COMMUNICATIONS									
Media & Information Services	258,035	278,977	20,942	892,539	851,780	(40,759)	609,808	282,731	1,168,504
Bar Journal	432,437	465,406	32,969	1,369,460	1,404,414	34,954	1,350,473	18,987	1,891,182
Total Communications	690,472	744,383	53,911	2,261,999	2,256,194	(5,805)	1,960,281	301,718	3,059,686
OTHER									
	(49,445)	45,105	94,550	(158,173)	135,315	293,488	18,118	(176,291)	180,419
SUBTOTAL THIS PAGE	2,753,764	2,973,843	220,079	8,264,991	9,050,861	785,869	7,793,400	471,592	12,393,134
TOTAL DISCIPLINE FROM PAGE 1	12,310,406	12,545,637	235,231	38,350,789	38,357,944	7,155	34,855,467	3,495,322	52,834,306
TOTAL GENERAL FUND EXPENSE BY FUNCTION	15,064,170	15,519,480	455,310	46,615,780	47,408,805	793,024	42,648,867	3,966,914	65,227,440



THE STATE BAR OF CALIFORNIA

FINANCE

180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639

TEL (415) 538-2200

MEMORANDUM

DATE: October 21, 2008
TO: Board of Governors
FROM: Peggy Van Horn, Chief Financial Officer
SUBJECT: Quarterly Investment Report as of June 30, 2008

Attached is the quarterly investment report for the State Bar of California as of June 30, 2008. The report is presented in a format that conforms to the investment policy adopted by the Board of Governors in May 2005. As of the end of June, the market value of the State Bar's investment portfolio totaled \$104 million.

The time-weighted average rate of return of the investment portfolio as of the end of the second quarter is 3.29%. Actual investment earnings received through the end of the second quarter were \$2,099,885.

**State Bar of California
Investment Report Summary
June 30, 2008**

<u>Asset Group</u>	<u>Original Cost</u>	<u>Market Value</u>	<u>Portfolio Percentage</u>	<u>Weighted Average Yield</u>
Wells Fargo Custody Account:				
- Money Market	4,416,382	4,416,382	4.25%	2.14%
- Corporate Bonds	2,052,590	2,037,090	1.96%	5.22%
- Government Bonds	56,798,933	56,499,916	54.31%	3.06%
- Interest Receivable	-	589,447	0.57%	
Subtotal-Securities, Bonds and Notes	63,267,905	63,542,835	61.08%	
Metlife Investment Account	179,771	179,771	0.17%	N.A
Local Agency Investment Fund	40,308,514	40,308,514	38.75%	3.65%
Subtotal-Other Investments	40,488,285	40,488,285	38.92%	
Grand Total	103,756,190	104,031,120	100%	3.29%

Unrealized Gain/(Loss):

Market Value of Portfolio	62,953,388
Original Cost of Portfolio	63,267,905
Unrealized Gain/(Loss)	<u>(314,517)</u>

State Bar of California
Investment Report - Wells Fargo Custody Account
Balance as of June 30, 2008

<u>Issuer</u>	<u>S&P Rating</u>	<u>Type</u>	<u>Par Value</u>	<u>Cost</u>	<u>Mkt Value</u>	<u>Interest Receivable</u>	<u>Unrealized Gain/(Loss)</u>	<u>*Yield</u>	<u>Purchase Date</u>	<u>Maturity Date</u>
JOHN HANCOCK	AA	Corporate Bonds	1,000,000	1,006,440	1,008,670	4,688	2,230	5.25%	01/25/07	12/01/08
CITIGROUP INC	AA	Corporate Bonds	1,000,000	1,046,150	1,028,420	29,431	(17,730)	5.20%	01/25/07	01/18/11
TOTAL CORPORATE BONDS AND NOTES:			2,000,000	2,052,590	2,037,090	34,118	(15,500)	5.22%		
FED HOME LN MTG	AAA	Government Agency	1,500,000	1,507,980	1,501,185	22,958	(6,795)	2.46%	02/12/08	07/29/08
FED HOME LN BK	AAA	Government Agency	2,000,000	1,998,160	2,003,760	27,771	5,600	4.00%	12/05/07	08/22/08
FED NATL MTG ASSN	AAA	Government Agency	2,000,000	2,015,760	2,008,760	33,882	(7,000)	4.05%	11/29/07	09/02/08
FED HOME LN BK	AAA	Government Agency	2,500,000	2,533,875	2,512,500	84,418	(21,375)	2.44%	02/06/08	10/03/08
FED HOME LN BK	AAA	Government Agency	3,000,000	3,017,310	3,016,890	31,219	(420)	3.90%	12/13/07	10/10/08
FED HOME LN BK	AAA	Government Agency	1,500,000	1,501,725	1,508,910	5,672	7,185	4.00%	12/11/07	11/28/08
FED NATL MTG ASSN	AAA	Government Agency	2,000,000	1,987,180	2,007,500	3,000	20,320	4.04%	12/18/07	12/15/08
FED HOME LN BK CONS BD SER 2SOB	AAA	Government Agency	1,500,000	1,504,875	1,511,715	2,188	6,840	4.04%	12/18/07	12/19/08
FED FARM CREDIT BK	AAA	Government Agency	2,000,000	2,004,780	2,013,120	1,594	8,340	3.85%	12/28/07	12/24/08
FED NATL MTG ASSN	AAA	Government Agency	2,000,000	2,004,886	2,010,620	21,146	5,734	3.41%	01/09/08	03/16/09
FED NATL MTG CORP	AAA	Government Agency	2,000,000	2,054,360	2,041,260	11,667	(13,100)	3.19%	01/11/08	05/21/09
FED HOME LN BK SER GC09	AAA	Government Agency	3,000,000	3,153,150	3,092,820	14,700	(60,330)	2.36%	02/06/08	06/03/09
FED FARM CREDIT BK	AAA	Government Agency	2,400,000	2,483,232	2,447,256	7,743	(35,976)	2.41%	02/04/08	06/08/09
FED FARM CREDIT BK	AAA	Government Agency	1,500,000	1,533,015	1,527,195	4,266	(5,820)	3.27%	01/10/08	06/10/09
FED HOME LN BK TRANCHE #TR 00426	AAA	Government Agency	1,500,000	1,515,885	1,515,465	3,167	(420)	3.23%	01/10/08	06/12/09
FED HOME LN BK	AAA	Government Agency	3,000,000	3,123,630	3,075,000	63,875	(48,630)	2.44%	02/04/08	08/05/09
FED HOME LN BK	AAA	Government Agency	3,000,000	3,000,000	2,997,180	31,113	(2,820)	2.85%	02/20/08	08/20/09
FED HOME LN BK	AAA	Government Agency	3,000,000	3,128,430	3,076,890	48,125	(51,540)	2.52%	02/01/08	09/11/09
FED FARM CREDIT BK	AAA	Government Agency	2,000,000	2,013,460	2,015,620	32,583	2,160	3.10%	01/11/08	01/11/10
FED FARM CREDIT BK	AAA	Government Agency	3,000,000	3,009,000	2,984,070	31,281	(24,930)	2.47%	02/08/08	02/08/10
FED NATL MTG ASSN	AAA	Government Agency	3,000,000	3,118,230	3,066,570	3,646	(51,660)	2.66%	02/01/08	06/21/10
FED NATL MTG ASSN	AAA	Government Agency	3,000,000	3,000,000	2,982,180	32,750	(17,820)	3.00%	02/20/08	08/20/10
FED HOME LN BK CONS BD SER 8109	AAA	Government Agency	2,500,000	2,557,550	2,542,200	13,576	(15,350)	2.69%	05/07/08	11/13/09
FED HOME LN BK SER 7109	AAA	Government Agency	3,000,000	3,032,460	3,041,250	15,333	8,790	3.19%	06/26/08	11/13/09
TOTAL GOVERNMENT BONDS AND NOTES:			55,900,000	56,798,933	56,499,916	547,672	(299,017)	3.06%		
WELLS FARGO BANK INST.		Money Market	4,416,382	4,416,382	4,416,382	7,657	-	2.14%		
			4,416,382	4,416,382	4,416,382	7,657	-	2.14%		
TOTAL INVESTMENT HELD BY WELLS FARGO			62,316,382	63,267,905	62,953,388	589,447	(314,517)			



THE STATE BAR OF CALIFORNIA

FINANCE

180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639

TEL (415) 538-2200

MEMORANDUM

DATE: October 21, 2008
TO: Board of Governors
FROM: Peggy Van Horn, Chief Financial Officer
SUBJECT: Quarterly Investment Report as of September 30, 2008

Attached is the quarterly investment report for the State Bar of California as of September 30, 2008. The report is presented in a format that conforms to the investment policy adopted by the Board of Governors in May 2005. As of the end of September, the market value of the State Bar's investment portfolio totaled \$97 million.

The time-weighted average rate of return of the investment portfolio as of the end of the third quarter is 3.14%. Actual investment earnings received through the end of the third quarter were \$2,755,125.

**State Bar of California
Investment Report Summary
September 30, 2008**

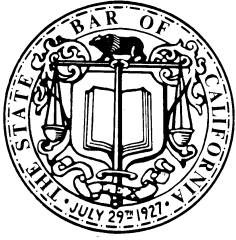
<u>Asset Group</u>	<u>Original Cost</u>	<u>Market Value</u>	<u>Portfolio Percentage</u>	<u>Weighted Average Yield</u>
Wells Fargo Custody Account:				
- Money Market	4,781,123	4,781,123	4.93%	2.01%
- Corporate Bonds	2,052,590	1,971,470	2.03%	5.22%
- Government Bonds	50,314,693	49,765,310	51.32%	3.02%
- Interest Receivable	-	713,112	0.74%	
Subtotal-Securities, Bonds and Notes	57,148,406	57,231,015	59.01%	
Metlife Investment Account	179,771	164,416	0.17%	N.A
Local Agency Investment Fund	39,584,155	39,584,155	40.82%	3.35%
Subtotal-Other Investments	39,763,926	39,748,571	40.99%	
Grand Total	96,912,332	96,979,586	100%	3.14%

Unrealized Gain/(Loss):

Market Value of Portfolio	56,517,903
Original Cost of Portfolio	57,148,406
Unrealized Gain/(Loss)	<u>(630,503)</u>

State Bar of California
Investment Report - Wells Fargo Custody Account
Balance as of September 30, 2008

<u>Issuer</u>	<u>S&P Rating</u>	<u>Type</u>	<u>Par Value</u>	<u>Cost</u>	<u>Mkt Value</u>	<u>Interest Receivable</u>	<u>Unrealized Gain/(Loss)</u>	<u>*Yield</u>	<u>Purchase Date</u>	<u>Maturity Date</u>
JOHN HANCOCK	AA	Corporate Bonds	1,000,000	1,006,440	1,001,670	18,750	(4,770)	5.25%	01/25/07	12/01/08
CITIGROUP INC	AA	Corporate Bonds	1,000,000	1,046,150	969,800	13,181	(76,350)	5.20%	01/25/07	01/18/11
TOTAL CORPORATE BONDS AND NOTES:			2,000,000	2,052,590	1,971,470	31,931	(81,120)	5.22%		
FED HOME LN BK	AAA	Government Agency	2,500,000	2,533,875	2,500,000	112,981	(33,875)	2.44%	02/06/08	10/03/08
FED HOME LN BK	AAA	Government Agency	3,000,000	3,017,310	3,000,930	65,906	(16,380)	3.90%	12/13/07	10/10/08
FED HOME LN BK	AAA	Government Agency	1,500,000	1,501,725	1,502,340	21,141	615	4.00%	12/11/07	11/28/08
FED NATL MTG ASSN	AAA	Government Agency	2,000,000	1,987,180	1,999,380	19,875	12,200	4.04%	12/18/07	12/15/08
FED HOME LN BK CONS BD SER 2SOB	AAA	Government Agency	1,500,000	1,504,875	1,504,215	18,594	(660)	4.04%	12/18/07	12/19/08
FED FARM CREDIT BK	AAA	Government Agency	2,000,000	2,004,780	2,004,380	22,094	(400)	3.85%	12/28/07	12/24/08
FED NATL MTG ASSN	AAA	Government Agency	2,000,000	2,004,886	2,003,120	3,021	(1,766)	3.41%	01/09/08	03/16/09
FED NATL MTG CORP	AAA	Government Agency	2,000,000	2,054,360	2,023,120	37,917	(31,240)	3.19%	01/11/08	05/21/09
FED HOME LN BK SER GC09	AAA	Government Agency	3,000,000	3,153,150	3,061,890	61,950	(91,260)	2.36%	02/06/08	06/03/09
FED FARM CREDIT BK	AAA	Government Agency	2,400,000	2,483,232	2,430,000	38,043	(53,232)	2.41%	02/04/08	06/08/09
FED FARM CREDIT BK	AAA	Government Agency	1,500,000	1,533,015	1,517,340	22,547	(15,675)	3.27%	01/10/08	06/10/09
FED HOME LN BK TRANCHE #TR 00426	AAA	Government Agency	1,500,000	1,515,885	1,508,445	18,167	(7,440)	3.23%	01/10/08	06/12/09
FED HOME LN BK	AAA	Government Agency	3,000,000	3,123,630	3,051,570	24,500	(72,060)	2.44%	02/04/08	08/05/09
FED HOME LN MTG CORP	AAA	Government Agency	2,000,000	2,037,660	2,024,640	38,271	(13,020)	3.02%	07/08/08	04/14/10
FED HOME LN BK	AAA	Government Agency	3,000,000	3,128,430	3,054,390	8,750	(74,040)	2.52%	02/01/08	09/11/09
FED FARM CREDIT BK	AAA	Government Agency	2,000,000	2,013,460	2,005,620	15,333	(7,840)	3.10%	01/11/08	01/11/10
FED FARM CREDIT BK	AAA	Government Agency	3,000,000	3,009,000	2,975,640	11,594	(33,360)	2.47%	02/08/08	02/08/10
FED NATL MTG ASSN	AAA	Government Agency	3,000,000	3,118,230	3,056,250	36,458	(61,980)	2.66%	02/01/08	06/21/10
FED NATL MTG ASSN	AAA	Government Agency	3,000,000	3,000,000	2,986,890	10,250	(13,110)	3.00%	02/20/08	08/20/10
FED HOME LN BK CONS BD SER 8109	AAA	Government Agency	2,500,000	2,557,550	2,528,900	40,139	(28,650)	2.69%	05/07/08	11/13/09
FED HOME LN BK SER 7109	AAA	Government Agency	3,000,000	3,032,460	3,026,250	45,333	(6,210)	3.19%	06/26/08	11/13/09
TOTAL GOVERNMENT BONDS AND NOTES:			49,400,000	50,314,693	49,765,310	672,863	(549,383)	3.02%		
WELLS FARGO BANK INST.		Money Market	4,781,123	4,781,123	4,781,123	8,318	-	2.01%		
ROYAL BANK OF CANADA		CDSs & Saving	-	-	-	-	-	0.00%		
			4,781,123	4,781,123	4,781,123	8,318	-	2.01%		
TOTAL INVESTMENT HELD BY WELLS FARGO			56,181,123	57,148,406	56,517,903	713,112	(630,503)			



THE STATE BAR OF CALIFORNIA

FINANCE

180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639

TEL (415) 538-2200

MEMORANDUM

DATE: October 21, 2008
TO: Board of Governors
FROM: Peggy Van Horn, Chief Financial Officer
SUBJECT: Status of Claims Activities – Client Security Fund
Through the Quarter Ended June 30, 2008

A series of reports are generated to report claims activity within the Client Security Fund each quarter. These reports include:

- Claims Activity for the quarter ended June 30, 2008
- Claims Aging Report
- Cumulative Claims Aging Report
- 24 Month Rolling Average of Claims Paid
- Analysis of New Claims Paid, Rejected or Withdrawn

Through the end of June, 434 new claims in the amount of \$5.39 million were filed. By comparison, 469 claims in the amount of \$5.1 million were filed through the second quarter of 2007. Based on the current claims payout ratio of 42.86%, the estimated outstanding claims liability is approximately \$5.6 million. Total cash and investments available to address this liability at the end of June are \$6.8 million as compared to \$6.6 million as of the second quarter of 2007.

**THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
STATUS ON CLAIMS ACTIVITIES**

For 2nd Quarter 2008

CURRENT QUARTER'S ACTIVITIES

	\$1 - 2500		\$2,501 - 5,000		\$5,001 - 10,000		\$10,001 - 25,000		\$25,001 - 49,999		\$50,000		TOTAL	
	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount
New Claims	58	\$82,928.10	57	\$222,522.76	31	\$224,718.23	32	\$524,184.46	17	\$546,935.03	28	\$1,400,000.00	223	\$3,001,288.58
Paid Claims	(30)	(\$45,109.49)	(27)	(\$101,911.67)	(17)	(\$120,969.37)	(16)	(\$188,391.06)	(6)	(\$139,035.60)	(17)	(\$748,449.10)	(113)	(\$1,343,866.29)
Rejected Claims	(3)	(7,489.99)	(5)	(34,693.89)	(2)	(\$33,387.00)	0	(89,999.11)	(4)	(202,902.02)	(2)	(201,550.90)	(16)	(\$570,022.91)
Withdrawn Claims	(43)	<u>(\$57,174.59)</u>	(23)	<u>(\$96,623.00)</u>	(24)	<u>(\$190,658.26)</u>	(10)	<u>(\$200,655.60)</u>	(6)	<u>(234,065.74)</u>	(13)	<u>(650,000.00)</u>	(119)	<u>(\$1,429,177.19)</u>
Net change for the month	(18)	<u>(\$26,845.97)</u>	2	<u>(\$10,705.80)</u>	(12)	<u>(\$120,296.40)</u>	6	<u>\$45,138.69</u>	1	<u>(\$29,068.33)</u>	(4)	<u>(\$200,000.00)</u>	(25)	<u>(\$341,777.81)</u>
New Claims % to total	26.01%	2.76%	25.56%	7.41%	13.90%	7.49%	14.35%	17.47%	7.62%	18.22%	12.56%	46.65%	100.00%	100.00%

THE STATE BAR OF CALIFORNIA
 CLIENT SECURITY FUND
 STATUS ON CLAIMS ACTIVITIES

June 30, 2008

YEAR TO DATE ACTIVITIES

	<u>\$1 - 2500</u>		<u>\$2,501 - 5,000</u>		<u>\$5,001 - 10,000</u>		<u>\$10,001 - 25,000</u>		<u>\$25,001 - 49,999</u>		<u>\$50,000</u>		<u>TOTAL</u>	
	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>	<u>#</u>	<u>Amount</u>
Prior Years' Claims	218	326,593.55	153	618,157.31	126	1,021,056.85	113	1,996,722.54	56	1,849,017.63	121	6,050,000.00	787	11,861,547.88
New Claims '08	115	\$167,897.53	110	\$446,183.73	73	\$567,956.23	63	\$1,029,411.28	30	\$1,033,580.87	43	\$2,150,000.00	434	5,395,029.64
Claims Paid '08	(45)	(\$54,976.99)	(37)	(\$127,605.02)	(22)	(\$139,852.64)	(23)	(\$288,677.20)	(6)	(\$139,035.60)	(21)	(\$920,259.53)	(154)	(1,670,406.98)
Rejected Claims '08	(3)	(8,589.99)	(6)	(38,693.89)	(2)	(\$46,528.73)	(1)	(126,408.53)	(4)	(202,902.02)	(2)	(229,740.47)	(18)	(652,863.63)
Withdrawn Claims '08	(50)	(\$74,944.59)	(27)	(\$128,669.65)	(29)	(\$239,683.26)	(16)	(315,903.79)	(7)	(269,065.74)	(16)	(800,000.00)	(145)	(1,828,267.03)
Claims Outstanding	235	<u>355,979.51</u>	193	<u>769,372.48</u>	146	<u>1,162,948.45</u>	136	<u>2,295,144.30</u>	69	<u>2,271,595.14</u>	125	<u>6,250,000.00</u>	904	<u>13,105,039.88</u>
New claims % to total	26.50%	3.11%	25.35%	8.27%	16.82%	10.53%	14.52%	19.08%	6.91%	19.16%	9.91%	39.85%	100.00%	100.00%
Claims paid % to total	29.22%	3.29%	24.03%	7.64%	14.29%	8.37%	14.94%	17.28%	3.90%	8.32%	13.64%	55.09%	100.00%	100.00%
Claims rejected or withdrawn % to total	32.52%	3.37%	20.25%	6.75%	19.02%	11.54%	10.43%	17.83%	6.75%	19.02%	11.04%	41.50%	100.00%	100.00%
Claims outstanding % to total	26.00%	2.72%	21.35%	5.87%	16.15%	8.87%	15.04%	17.51%	7.63%	17.33%	13.83%	47.69%	100.00%	100.00%

**THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
CLAIMS AGING REPORT**

As of June 30, 2008

(By Year)

Year Claim Filed	Gross Claims Prior Year		Current Year		Claims Paid		Claims Rejected or Withdrawn		Total Claims Processed		Claims Outstanding	
	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT
2000	3	10,150.00			0	15,750.00	(3)	(25,900.00)	(3)	(10,150.00)	0	0.00
2001	8	18,002.00			0	0.00	(3)	(9,502.00)	(3)	(9,502.00)	5	8,500.00
2002	13	172,789.74			0	0.00	(10)	(118,789.74)	(10)	(118,789.74)	3	54,000.00
2003	20	302,079.67			(2)	(5,500.00)	(13)	(232,579.67)	(15)	(238,079.67)	5	64,000.00
2004	17	465,056.44			0	0.00	(4)	(57,886.44)	(4)	(57,886.44)	13	407,170.00
2005	62	1,083,107.92			(4)	(7,025.61)	(11)	(211,862.35)	(15)	(218,887.96)	47	864,219.96
2006	154	2,093,295.89			(14)	(110,686.12)	(23)	(277,432.03)	(37)	(388,118.15)	117	1,705,177.74
2007	510	7,717,066.22			(108)	(1,370,238.90)	(52)	(992,487.30)	(160)	(2,362,726.20)	350	5,354,340.02
2008			434	5,395,029.64	(26)	(192,706.35)	(44)	(554,691.13)	(70)	(747,397.48)	364	4,647,632.16
TOTAL	<u>787</u>	<u>11,861,547.88</u>	<u>434</u>	<u>5,395,029.64</u>	<u>(154)</u>	<u>(1,670,406.98)</u>	<u>(163)</u>	<u>(2,481,130.66)</u>	<u>(317)</u>	<u>(4,151,537.64)</u>	<u>904</u>	<u>13,105,039.88</u>
Average		\$15,072		\$12,431		\$10,847		\$15,222		\$13,096		\$14,497

Estimated Claim Payout Ratio: **42.86%**
Estimated Claim Liability: **\$5,616,820**

**THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
CUMULATIVE CLAIMS AGING REPORT**

As of June 30, 2008

(Cumulative)

YEAR TO DATE

Year Claim Filed	Gross Claims Prior Years		Current Year		Claims Paid		Claims Rejected or Withdrawn		Total Claims Processed		Claims Outstanding	
	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT
1993-2000	3	10,150.00			0	15,750.00	(3)	(25,900.00)	(3)	(10,150.00)	0	0.00
1993-2001	11	28,152.00			0	15,750.00	(6)	(35,402.00)	(6)	(19,652.00)	5	8,500.00
1993-2002	24	200,941.74			0	15,750.00	(16)	(154,191.74)	(16)	(138,441.74)	8	62,500.00
1993-2003	44	503,021.41			(2)	10,250.00	(29)	(386,771.41)	(31)	(376,521.41)	13	126,500.00
1993-2004	61	968,077.85			(2)	10,250.00	(33)	(444,657.85)	(35)	(434,407.85)	26	533,670.00
1993-2005	123	2,051,185.77			(6)	3,224.39	(44)	(656,520.20)	(50)	(653,295.81)	73	1,397,889.96
1993-2006	277	4,144,481.66			(20)	(107,461.73)	(67)	(933,952.23)	(87)	(1,041,413.96)	190	3,103,067.70
1993-2007	787	11,861,547.88			(128)	(1,477,700.63)	(119)	(1,926,439.53)	(247)	(3,404,140.16)	540	8,457,407.72
1993-2008			<u>434</u>	<u>5,395,029.64</u>	<u>(154)</u>	<u>(1,670,406.98)</u>	<u>(163)</u>	<u>(2,481,130.66)</u>	<u>(317)</u>	<u>(4,151,537.64)</u>	<u>904</u>	<u>13,105,039.88</u>
Claims Pending on June 30, 2008				904								

Net Asset in Client Security Fund :

As of 12/31/2007 **2,990,889**

As of 6/30/2008 **6,801,506**

*The number of rejected claims only reflects those claims that were 100% rejected or withdrawn.

**THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND**

**24 MONTH ROLLING AVERAGE
OF CLAIMS PAID RATIO**

Period of: JUL.06 through JUN.08

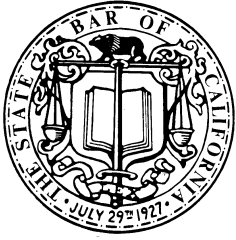
PAID CLAIMS

Month Covered	Amount	Mo. Ave. Payout Ratio	24 Mo. Rolling Average	Cumulative Paid Total
JUL.06	295,246	43.32%		295,246
AUG.06	405,046	44.54%		700,292
SEP.06	227,000	32.31%		927,292
OCT.06	503,610	52.60%		1,430,902
NOV.06	428,897	36.83%		1,859,799
DEC.06	1,413,725	59.97%		3,273,524
JAN.07	108,661	43.50%		3,382,185
FEB.07	60,241	29.71%		3,442,426
MAR.07	369,586	28.46%		3,812,012
APR.07	149,671	24.69%		3,961,683
MAY 07	383,458	47.72%		4,345,141
JUN.07	179,873	32.78%		4,525,014
JUL.07	391,620	38.39%		4,916,634
AUG.07	305,314	42.65%		5,221,948
SEP.07	328,431	75.35%		5,550,379
OCT.07	137,120	16.34%		5,687,499
NOV.07	416,361	40.31%		6,103,860
DEC.07	1,521,774	50.53%		7,625,634
JAN.08	101,143	46.12%		7,726,777
FEB.08	26,499	30.51%		7,753,276
MAR.08	198,899	39.60%		7,952,175
APR.08	781,549	59.96%		8,733,724
MAY 08	184,594	13.48%		8,918,318
JUN.08	377,723	56.36%		9,296,041
	<u>9,296,041</u>		42.86%	

THE STATE BAR OF CALIFORNIA
 CLIENT SECURITY FUND
 ANALYSIS OF NEW CLAIMS PAID, REJ
 OR WITHDRAWN, ESTIMATED
 CLAIMS LIABILITY PER ACTIVE
 ATTORNEY

June 30, 2008

	<u>1st Qtr</u>	<u>2nd Qtr</u>
Beginning Balance	787	929
Add: Reinstated Claims		
New Claims	211	223
Less: Paid / Rejected or Withdrawn	69	248
TOTAL	929	904
CLAIMS OUTSTANDING AMT.	13,438,625	13,105,040
# Of Active Attorneys	159,747	160,406
Cost Per Active Attorney	\$84	\$82
 ESTIMATED CLAIMS LIAB.		
Claims Payout Ratio	43.42%	42.86%
Estimated Claim Amount *	\$5,835,051	\$5,616,820
# of Active Attorneys	159,747	160,406
Cost per Active Attorney	\$37	\$35
 CLAIM ACTIVITIES IN %:		
 NEW CLAIMS - YTD		
1 - 2,500	3.56%	3.11%
2,501 - 5,000	9.16%	8.27%
5,001 - 10,000	14.34%	10.53%
10,001 - 25,000	21.13%	19.08%
25,001 - 49,999	20.39%	19.16%
50,000	31.42%	39.85%
 CLAIMS PAID - YTD		
1 - 2,500	3.02%	3.29%
2,501 - 5,000	7.87%	7.64%
5,001 - 10,000	5.78%	8.37%
10,001 - 25,000	30.71%	17.28%
25,001 - 49,999	0.00%	8.32%
50,000	52.62%	55.09%
 REJ./WDRAWN - YTD		
1 - 2,500	3.92%	3.37%
2,501 - 5,000	7.48%	6.75%
5,001 - 10,000	12.90%	11.54%
10,001 - 25,000	31.47%	17.83%
25,001 - 49,999	7.26%	19.02%
50,000	36.97%	41.50%
 CLAIMS O/S-CUM. - YTD		
1 - 2,500	2.85%	2.72%
2,501 - 5,000	5.77%	5.87%
5,001 - 10,000	9.53%	8.87%
10,001 - 25,000	16.74%	17.51%
25,001 - 49,999	17.12%	17.33%
50,000	48.00%	47.69%
 NET ASSET, END OF PERIOD	\$7,853,062	\$6,801,506



THE STATE BAR OF CALIFORNIA

FINANCE

180 HOWARD STREET, SAN FRANCISCO, CALIFORNIA 94105-1639

TEL (415) 538-2200

MEMORANDUM

DATE: October 21, 2008
TO: Board of Governors
FROM: Peggy Van Horn, Chief Financial Officer
SUBJECT: Status of Claims Activities – Client Security Fund
Through the Quarter Ended September 30, 2008

A series of reports are generated to report claims activity within the Client Security Fund each quarter. These reports include:

- Claims Activity for the quarter ended September 30, 2008
- Claims Aging Report
- Cumulative Claims Aging Report
- 24 Month Rolling Average of Claims Paid
- Analysis of New Claims Paid, Rejected or Withdrawn

Through the end of September, 647 new claims in the amount of \$8.95 million were filed. By comparison, 726 claims in the amount of \$9.2 million were filed through the third quarter of 2007. Based on the current claims payout ratio of 42.71%, the estimated outstanding claims liability is approximately \$5.5 million. Total cash and investments available to address this liability at the end of September are \$5.1 million as compared to \$4.6 million as of the third quarter of 2007.

THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
STATUS ON CLAIMS ACTIVITIES

For 3rd Quarter 2008

CURRENT QUARTER'S ACTIVITIES

	\$1 - 2500		\$2,501 - 5,000		\$5,001 - 10,000		\$10,001 - 25,000		\$25,001 - 49,999		\$50,000		TOTAL	
	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount
New Claims	44	\$66,735.86	55	\$214,545.52	40	\$295,500.63	15	\$230,845.00	18	\$697,128.00	41	\$2,050,000.00	213	\$3,554,755.01
Paid Claims	(39)	(\$56,072.33)	(35)	(\$113,020.38)	(14)	(\$94,501.67)	(16)	(\$222,527.33)	(8)	(\$194,378.23)	(24)	(\$882,133.67)	(136)	(\$1,562,633.61)
Rejected Claims	(2)	(10,133.63)	(4)	(44,337.49)	(2)	(\$38,657.73)	(4)	(108,423.67)	(3)	(196,038.89)	(6)	(662,866.33)	(21)	(\$1,060,457.74)
Withdrawn Claims	(34)	<u>(\$53,761.50)</u>	(18)	<u>(\$74,292.49)</u>	(10)	<u>(\$76,456.66)</u>	(8)	<u>(\$125,507.16)</u>	(7)	<u>(254,013.40)</u>	(13)	<u>(650,000.00)</u>	(90)	<u>(\$1,234,031.21)</u>
Net change for the month	(31)	<u>(\$53,231.60)</u>	(2)	<u>(\$17,104.84)</u>	14	<u>\$85,884.57</u>	(13)	<u>(\$225,613.16)</u>	0	<u>\$52,697.48</u>	(2)	<u>(\$145,000.00)</u>	(34)	<u>(\$302,367.55)</u>
New Claims % to total	20.66%	1.88%	25.82%	6.04%	18.78%	8.31%	7.04%	6.49%	8.45%	19.61%	19.25%	57.67%	100.00%	100.00%

THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
STATUS ON CLAIMS ACTIVITIES

September 30, 2008

YEAR TO DATE ACTIVITIES

	\$1 - 2500		\$2,501 - 5,000		\$5,001 - 10,000		\$10,001 - 25,000		\$25,001 - 49,999		\$50,000		TOTAL	
	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount
Prior Years' Claims	218	329,276.88	153	622,818.16	126	1,021,056.85	113	1,996,722.54	56	1,849,017.63	121	6,095,000.00	787	11,913,892.06
New Claims '08	159	\$236,191.39	165	\$660,729.25	113	\$864,206.86	78	\$1,260,256.28	48	\$1,730,708.87	84	\$4,200,000.00	647	8,952,092.65
Claims Paid '08	(84)	(\$111,049.32)	(72)	(\$240,625.40)	(36)	(\$234,354.31)	(39)	(\$511,204.53)	(14)	(\$333,413.83)	(45)	(\$1,802,393.20)	(290)	(3,233,040.59)
Rejected Claims '08	(5)	(18,723.62)	(10)	(83,031.38)	(4)	(\$85,186.46)	(5)	(234,832.20)	(7)	(398,940.91)	(8)	(892,606.80)	(39)	(1,713,321.37)
Withdrawn Claims '08	(84)	<u>(\$128,706.09)</u>	(45)	<u>(\$202,962.14)</u>	(39)	<u>(\$316,139.92)</u>	(24)	<u>(441,410.95)</u>	(14)	<u>(523,079.14)</u>	(29)	<u>(1,450,000.00)</u>	(235)	<u>(3,062,298.24)</u>
Claims Outstanding	204	<u>306,989.24</u>	191	<u>756,928.49</u>	160	<u>1,249,583.02</u>	123	<u>2,069,531.14</u>	69	<u>2,324,292.62</u>	123	<u>6,150,000.00</u>	870	<u>12,857,324.51</u>
New claims % to total	24.57%	2.64%	25.50%	7.38%	17.47%	9.65%	12.06%	14.08%	7.42%	19.33%	12.98%	46.92%	100.00%	100.00%
Claims paid % to total	28.97%	3.43%	24.83%	7.44%	12.41%	7.25%	13.45%	15.81%	4.83%	10.31%	15.52%	55.75%	100.00%	100.00%
Claims rejected or withdrawn % to total	32.48%	3.09%	20.07%	5.99%	15.69%	8.40%	10.58%	14.16%	7.66%	19.31%	13.50%	49.05%	100.00%	100.00%
Claims outstanding % to total	23.45%	2.39%	21.95%	5.89%	18.39%	9.72%	14.14%	16.10%	7.93%	18.08%	14.14%	47.83%	100.00%	100.00%

**THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
CLAIMS AGING REPORT**

As of September 30, 2008

(By Year)

Year Claim Filed	Gross Claims Prior Year		Current Year		Claims Paid		Claims Rejected or Withdrawn		Total Claims Processed		Claims Outstanding	
	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT
2000	3	10,150.00			0	15,750.00	(3)	(25,900.00)	(3)	(10,150.00)	0	0.00
2001	8	18,002.00			0	0.00	(7)	(15,502.00)	(7)	(15,502.00)	1	2,500.00
2002	13	172,789.74			0	0.00	(11)	(119,789.74)	(11)	(119,789.74)	2	53,000.00
2003	20	302,079.67			(3)	(9,100.00)	(13)	(232,579.67)	(16)	(241,679.67)	4	60,400.00
2004	17	465,056.44			(1)	(3,000.00)	(5)	(112,886.44)	(6)	(115,886.44)	11	349,170.00
2005	62	1,085,315.68			(9)	(120,585.61)	(18)	(367,913.35)	(27)	(488,498.96)	35	596,816.72
2006	154	2,095,629.22			(23)	(186,952.78)	(38)	(571,968.70)	(61)	(758,921.48)	93	1,336,707.74
2007	510	7,764,869.31			(167)	(2,081,591.62)	(85)	(1,724,835.20)	(252)	(3,806,426.82)	258	3,958,442.49
2008			647	8,952,092.65	(87)	(847,560.58)	(94)	(1,604,244.51)	(181)	(2,451,805.09)	466	6,500,287.56
TOTAL	<u>787</u>	<u>11,913,892.06</u>	<u>647</u>	<u>8,952,092.65</u>	<u>(290)</u>	<u>(3,233,040.59)</u>	<u>(274)</u>	<u>(4,775,619.61)</u>	<u>(564)</u>	<u>(8,008,660.20)</u>	<u>870</u>	<u>12,857,324.51</u>
Average		\$15,138		\$13,836		\$11,148		\$17,429		\$14,200		\$14,779

Estimated Claim Payout Ratio: **42.71%**
Estimated Claim Liability: **\$5,491,363**

**THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND
CUMULATIVE CLAIMS AGING REPORT**

As of **September 30, 2008**

(Cumulative)

YEAR TO DATE

Year Claim Filed	Gross Claims Prior Years		Current Year		Claims Paid		Claims Rejected or Withdrawn		Total Claims Processed		Claims Outstanding	
	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT	#	AMOUNT
1993-2000	3	10,150.00			0	15,750.00	(3)	(25,900.00)	(3)	(10,150.00)	0	0.00
1993-2001	11	28,152.00			0	15,750.00	(10)	(41,402.00)	(10)	(25,652.00)	1	2,500.00
1993-2002	24	200,941.74			0	15,750.00	(21)	(161,191.74)	(21)	(145,441.74)	3	55,500.00
1993-2003	44	503,021.41			(3)	6,650.00	(34)	(393,771.41)	(37)	(387,121.41)	7	115,900.00
1993-2004	61	968,077.85			(4)	3,650.00	(39)	(506,657.85)	(43)	(503,007.85)	18	465,070.00
1993-2005	123	2,053,393.53			(13)	(116,935.61)	(57)	(874,571.20)	(70)	(991,506.81)	53	1,061,886.72
1993-2006	277	4,149,022.75			(36)	(303,888.39)	(95)	(1,446,539.90)	(131)	(1,750,428.29)	146	2,398,594.46
1993-2007	787	11,913,892.06			(203)	(2,385,480.01)	(180)	(3,171,375.10)	(383)	(5,556,855.11)	404	6,357,036.95
1993-2008			647	8,952,092.65	(290)	(3,233,040.59)	(274)	(4,775,619.61)	(564)	(8,008,660.20)	870	12,857,324.51
Claims Pending on	September 30, 2008			870								

Net Asset in Client Security Fund :

As of	12/31/2007	2,990,889
As of	9/30/2008	5,084,642

*The number of rejected claims only reflects those claims that were 100% rejected or withdrawn.

**THE STATE BAR OF CALIFORNIA
CLIENT SECURITY FUND**

**24 MONTH ROLLING AVERAGE
OF CLAIMS PAID RATIO**

Period of: OCT.06 through SEP.08

PAID CLAIMS

Month Covered	Amount	Mo. Ave. Payout Ratio	24 Mo. Rolling Average	Cumulative Paid Total
OCT.06	503,610	52.60%		503,610
NOV.06	428,897	36.83%		932,507
DEC.06	1,413,725	59.97%		2,346,232
JAN.07	108,661	43.50%		2,454,893
FEB.07	60,241	29.71%		2,515,134
MAR.07	369,586	28.46%		2,884,720
APR.07	149,671	24.69%		3,034,391
MAY 07	383,458	47.72%		3,417,849
JUN.07	179,873	32.78%		3,597,722
JUL.07	391,620	38.39%		3,989,342
AUG.07	305,314	42.65%		4,294,656
SEP.07	328,431	75.35%		4,623,087
OCT.07	137,120	16.34%		4,760,207
NOV.07	416,361	40.31%		5,176,568
DEC.07	1,521,774	50.53%		6,698,342
JAN.08	101,143	46.12%		6,799,485
FEB.08	26,499	30.51%		6,825,984
MAR.08	198,899	39.60%		7,024,883
APR.08	781,549	59.96%		7,806,432
MAY 08	184,594	13.48%		7,991,026
JUN.08	377,723	56.36%		8,368,749
JUL.08	636,186	43.28%		9,004,935
AUG.08	299,932	28.67%		9,304,867
SEP.08	626,516	46.72%		9,931,383
	<u>9,931,383</u>		42.71%	

THE STATE BAR OF CALIFORNIA
 CLIENT SECURITY FUND
 ANALYSIS OF NEW CLAIMS PAID, REJ
 OR WITHDRAWN, ESTIMATED
 CLAIMS LIABILITY PER ACTIVE
 ATTORNEY

September 30, 2008

	<u>1st Qtr</u>	<u>2nd Qtr</u>	<u>3rd Qtr</u>
Beginning Balance	787	929	904
Add: Reinstated Claims			
New Claims	211	223	213
Less: Paid / Rejected or Withdrawn	69	248	247
TOTAL	929	904	870
CLAIMS OUTSTANDING AMT.	13,438,625	13,105,040	12,857,325
# Of Active Attorneys	159,747	160,406	161,176
Cost Per Active Attorney	\$84	\$82	\$80
ESTIMATED CLAIMS LIAB.			
Claims Payout Ratio	43.42%	42.86%	42.71%
Estimated Claim Amount *	\$5,835,051	\$5,616,820	\$5,491,363
# of Active Attorneys	159,747	160,406	161,176
Cost per Active Attorney	\$37	\$35	\$34
CLAIM ACTIVITIES IN %:			
NEW CLAIMS - YTD			
1 - 2,500	3.56%	3.11%	2.64%
2,501 - 5,000	9.16%	8.27%	7.38%
5,001 - 10,000	14.34%	10.53%	9.65%
10,001 - 25,000	21.13%	19.08%	14.08%
25,001 - 49,999	20.39%	19.16%	19.33%
50,000	31.42%	39.85%	46.92%
CLAIMS PAID - YTD			
1 - 2,500	3.02%	3.29%	3.43%
2,501 - 5,000	7.87%	7.64%	7.44%
5,001 - 10,000	5.78%	8.37%	7.25%
10,001 - 25,000	30.71%	17.28%	15.81%
25,001 - 49,999	0.00%	8.32%	10.31%
50,000	52.62%	55.09%	55.75%
REJ./WDRAWN - YTD			
1 - 2,500	3.92%	3.37%	3.09%
2,501 - 5,000	7.48%	6.75%	5.99%
5,001 - 10,000	12.90%	11.54%	8.40%
10,001 - 25,000	31.47%	17.83%	14.16%
25,001 - 49,999	7.26%	19.02%	19.31%
50,000	36.97%	41.50%	49.05%
CLAIMS O/S-CUM. - YTD			
1 - 2,500	2.85%	2.72%	2.39%
2,501 - 5,000	5.77%	5.87%	5.89%
5,001 - 10,000	9.53%	8.87%	9.72%
10,001 - 25,000	16.74%	17.51%	16.10%
25,001 - 49,999	17.12%	17.33%	18.08%
50,000	48.00%	47.69%	47.83%
NET ASSET, END OF PERIOD	\$7,853,062	\$6,801,506	\$5,084,642

*Based upon 24 month rolling weighted average of claims paid ratio (See page 6)