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by the Supreme Court of minimum standards for a lawyer referral service, is operated in conformity with those standards.

(2) The combined charges to the potential client by the referral service and the attorney to whom the potential client is referred do not exceed the total cost that the client would normally pay if no referral service were involved.

(b) A referral service shall not be owned or operated, in whole or in part, directly or indirectly, by those lawyers to whom, individually or collectively, more than 20 percent of referrals are made. For purposes of this subdivision, a referral service that is owned or operated by a bar association, as defined in the minimum standards, shall be deemed to be owned or operated by its governing committee so long as the governing committee is constituted and functions in the manner prescribed by the minimum standards.

(c) None of the following is a lawyer referral service:

(1) A plan of legal insurance as defined in Section 119.6 of the Insurance Code.

(2) A group or prepaid legal plan, whether operated by a union, trust, mutual benefit or aid association, public or private corporation, or other entity or person, which meets both of the following conditions:

(A) It recommends, furnishes, or pays for legal services to its members or beneficiaries.

(B) It provides telephone advice or personal consultation.

(3) A program having as its purpose the referral of clients to attorneys for representation on a pro bono basis.

(d) The following are in the public interest and do not constitute an unlawful restraint of trade or commerce:

(1) An agreement between a referral service and a participating attorney to eliminate or restrict the attorney's fee for an initial office consultation for each potential client or to provide free or reduced fee services.

(2) Requirements by a referral service that attorneys meet reasonable participation requirements, including experience, education, and training requirements.

(3) Provisions of the minimum standards as approved by the Supreme Court.

§6155. Lawyer Referral Service—Ownership, Operation; Formulation and Enforcement of Rules and Regulations; Fees

(a) An individual, partnership, corporation, association, or any other entity shall not operate for the direct or indirect purpose, in whole or in part, of referring potential clients to attorneys, and no attorney shall accept a referral of such potential clients, unless all of the following requirements are met:

(1) The service is registered with the State Bar of California and (a) on July 1, 1988, is operated in conformity with minimum standards for a lawyer referral service established by the State Bar, or (b) upon approval

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- (4) Requirements that the application and renewal fees for certification as a lawyer referral service be determined, in whole or in part, by a consideration of any combination of the following factors: a referral service's gross annual revenues, number of panels, number of panel members, amount of fees charged to panel members, or for-profit or nonprofit status; provided that the application and renewal fees do not exceed ten thousand dollars (\$10,000) or 1 percent of the gross annual revenues, whichever is less.
- (5) Requirements that, to increase access to the justice system for all Californians, lawyer referral services establish separate ongoing activities or arrangements that serve persons of limited means.
- (e) A violation or threatened violation of this section may be enjoined by any person.
- (f) With the approval of the Supreme Court, the State Bar shall formulate and enforce rules and regulations for carrying out this section, including rules and regulations which do the following:
- (1) Establish minimum standards for lawyer referral services. The minimum standards shall include provisions ensuring that panel membership shall be open to all attorneys practicing in the geographical area served who are qualified by virtue of suitable experience, and limiting attorney registration and membership fees to reasonable sums which do not discourage widespread attorney membership.
 - (2) Require that an entity seeking to qualify as a lawyer referral service register with the State Bar and obtain from the State Bar a certificate of compliance with the minimum standards for lawyer referral services.
 - (3) Require that the certificate may be obtained, maintained, suspended, or revoked pursuant to procedures set forth in the rules and regulations.
 - (4) Require the lawyer referral service to pay an application and renewal fee for the certificate in such reasonable amounts as may be determined by the State Bar. The State Bar shall adopt rules authorizing the waiver or reduction of the fees upon a demonstration of financial necessity. The State Bar may require that the application and renewal fees for certification as a lawyer referral service be determined, in whole or in part, by a consideration of any combination of the following factors: a referral service's gross annual revenues, number of panels, number of panel members, amount of fees charged to panel members, or for-profit or nonprofit status; provided that the application and renewal fees do not exceed ten thousand dollars (\$10,000) or 1 percent of the gross annual revenues, whichever is less.
- (5) Require that, to increase access to the justice system for all Californians, lawyer referral services establish separate ongoing activities or arrangements that serve persons of limited means.
- (6) Require each lawyer who is a member of a certified lawyer referral service to comply with all applicable professional standards, rules, and regulations, and to possess a policy of errors and omissions insurance in an amount not less than one hundred thousand dollars (\$100,000) for each occurrence and three hundred thousand dollars (\$300,000) aggregate, per year. By rule, the State Bar may provide for alternative proof of financial responsibility to meet this requirement.
- (g) Provide that cause for denial of certification or recertification or revocation of certification of a lawyer referral service shall include, but not be limited to:
- (1) Noncompliance with the statutes or minimum standards governing lawyer referral services as adopted and from time to time amended.
 - (2) Sharing common or cross ownership, interests, or operations with any entity which engages in referrals to licensed or unlicensed health care providers.
 - (3) Direct or indirect consideration regarding referrals between an owner, operator, or member of a lawyer referral service and any licensed or unlicensed health care provider.
 - (4) Advertising on behalf of attorneys in violation of the Rules of Professional Conduct or the Business and Professions Code.
- (h) This section shall not be construed to prohibit attorneys from jointly advertising their services.
- (1) Permissible joint advertising, among other things, identifies by name the advertising attorneys or law firms whom the consumer of legal services may select and initiate contact with.
 - (2) Certifiable referral activity involves, among other things, some person or entity other than the consumer and advertising attorney or law firms which, in person, electronically, or otherwise, refers the consumer to an attorney or law firm not identified in the advertising.
- (i) A lawyer referral service certified under this section and operating in full compliance with this section, and in full compliance with the minimum standards and the rules and regulations of the State Bar governing lawyer referral services, shall not be deemed to be in violation of Section 3215 of the Labor Code or Section 750 of the Insurance Code.

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(j) The payment by an attorney or law firm member of a certified referral service of the normal fees of that service shall not be deemed to be in violation of Section 3215 of the Labor Code or Section 750 of the Insurance Code, provided that the attorney or law firm member is in full compliance with the minimum standards and the rules and regulations of the State Bar governing lawyer referral services.

(k) Certifications of lawyer referral services issued by the State Bar shall not be transferable. (Added by Stats. 1987, ch. 727; Amended by Stats. 1992, ch. 150; Stats 1994, ch. 711.)

**RULES AND REGULATIONS PERTAINING TO
LAWYER REFERRAL SERVICES**
(Including Minimum Standards for a Lawyer Referral Service in California)

(Adopted by the Board of Governors June 18, 1988, and approved by Supreme Court Order, October 26, 1989, and as amended, effective April 1, 1994, pursuant to Business and Professions Code section 6155. Amended by the Board of Governors on October 28, 1995, and November 23, 1996; approved by the Supreme Court, operative January 1, 1997.)

Rule 1. Purpose of Rules

1.1 The purpose of these Rules and Regulations Including Minimum Standards ("Rules") is to establish minimum standards for the operation of Lawyer Referral Services and facilitate the enforcement of Business & Professions Code §6155 pertaining to Lawyer Referral Services.

Rule 2. Citation of Rules

2.1 These Rules shall be cited and referred to as the Rules and Regulations of the State Bar of California Pertaining to Lawyer Referral Services Including Minimum Standards for Lawyer Referral Services in California ("Rules"). With the approval of the Supreme Court, these Rules are subject to amendment, repeal or other action by the Board of Governors of the State Bar of California.

Rule 3. Policy of the State Bar Regarding Lawyer Referral Services

3.1 It is the policy of the State Bar of California that every community be served by one or more certified Lawyer Referral Service. Where the size of the community or the number of lawyers serving it make the establishment of a separate Lawyer Referral Service impractical, the State Bar encourages the establishment of a regional Lawyer Referral Service embracing two or more such communities, subject to Rule 8.2 which requires separate certification for each county in which a Lawyer Referral Service operates.

3.2 It is also the policy of the State Bar of California that activities in violation of these Rules, the Business & Professions Code, or other authorities pertaining to Lawyer Referral Services, be curtailed.

Rule 4. Definition of a Lawyer Referral Service

4.1 "Lawyer Referral Service" means an individual, partnership, corporation, association, or any other entity, or a service or agency of an entity, which operates for the direct or indirect purpose of referring potential clients to lawyers, whether or not the term "referral service" is used. This definition shall not apply to those entities or persons exempted by Business & Professions Code §6155, subdivision (c) or (h).

4.2 "Entity" means an individual, partnership, corporation, association or any other form of organization.

4.3 A Lawyer Referral Service shall be comprised of these separate parts:

- (a) A staff which processes the requests for legal assistance;
- (b) A panel of lawyers who provide legal assistance; and
- (c) A committee or governing body as defined in Rule 10.1.

Rule 5. Purposes of a Lawyer Referral Service

5.1 The purposes of a Lawyer Referral Service shall be:

- (a) to provide a way in which any person may be referred to a qualified, insured lawyer who is able to render and is interested in rendering needed legal services;
- (b) to provide information about lawyers and the availability of legal services which will aid the public in their selection of a lawyer;
- (c) to inform the public when and where to seek legal and dispute resolution services;
- (d) to provide general, legal and dispute resolution information needed by the public;
- (e) to improve the quality of legal services available to the public; and
- (f) to provide access to affordable legal services to the public.

Rule 6. Application for Certification to Operate a Lawyer Referral Service

6.1 Application for certification or recertification as a Lawyer Referral Service shall be made on a form supplied by the State Bar which from time to time may be amended by the State Bar. Certification shall be granted only upon a showing that the Lawyer Referral Service has complied with each of these Rules, Business & Professions Code §6155 and other relevant authorities.

6.2 All applications, reports and other documents required to be filed with the State Bar by Lawyer Referral Services shall be signed and verified by the owner or duly authorized agent of the Lawyer Referral Service and filed at the State Bar's Lawyer Referral Services Certification Program in San Francisco, California.

6.3 Applications for first time certification may be filed at any time during the year. Applications for recertification must be submitted in conjunction with the filing of the annual report to the State Bar pursuant to Rule 15.2.

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6.4 For the purpose of determining whether an application is timely, the application shall be deemed submitted when actually delivered to the State Bar's Lawyer Referral Services Certification Program in San Francisco or when deposited in the United States mail, first class postage prepaid, addressed to the Lawyer Referral Services Certification Program, State Bar of California in San Francisco.

6.5 The Chief Executive Officer of the State Bar or a person or persons designated by the Chief Executive Officer shall review each application and within a reasonable time thereafter approve or deny the application and notify the applicant of the reasons therefore, or seek additional information regarding an incomplete or insufficient application. If the application is determined to be complete and in compliance with these Rules and other applicable authorities, a certificate of compliance shall be issued. This review may include an investigation and administrative audit as provided in Rule 16.

6.6 The applicant shall be notified in writing if an application is incomplete or deficient. If an applicant fails to complete the application or correct any deficiency within sixty (60) days of written notification, the application shall be deemed withdrawn without a refund of the fee except as provided in Rule 9.

Rule 7. Denial of Application for Certification to Operate a Lawyer Referral Service

7.1 The Chief Executive Officer of the State Bar, or a person or persons designated by the Chief Executive Officer, may deny an application for certification or recertification for failure to submit a complete and sufficient application, for failure to demonstrate full compliance with these Rules and other applicable authorities, or for other good cause. Cause for denial of certification or recertification shall include but not be limited to:

- (a) Noncompliance with any provision of the statutes, these Rules or other authorities governing Lawyer Referral Services;
- (b) Sharing common or cross ownership, interests, or operations with any entity which engages in referrals to licensed or unlicensed health care providers;
- (c) Direct or indirect consideration regarding referrals between an owner, operator or member of a Lawyer Referral Service and any licensed or unlicensed health care provider; or
- (d) Advertising or soliciting on behalf of attorneys in violation of the Rules of Professional Conduct.

7.2 Written notice of the denial of the application and of the reason(s) for the denial shall be served by mail upon the applicants. Notice shall also be given to the panel attorneys listed in the application.

7.3 An applicant may request review of the denial of its application within thirty (30) days of the date of the notice of denial. The request must be in writing, set forth the reasons review is sought and include all relevant evidence supporting the position of the applicant. The request shall

be considered by a subcommittee appointed by the Board of Governors or another committee appointed for this purpose by the Board of Governors. The subcommittee shall provide the Lawyer Referral Service with an opportunity to be heard consistent with due process requirements.

7.4 Upon the completion of such consideration, the subcommittee shall 1) certify the Lawyer Referral Service with or without conditions as the subcommittee determines appropriate; 2) request further information or amendment to the application; or 3) decline to certify the Lawyer Referral Service.

7.5 The subcommittee shall report in writing its findings, determinations and reasons for its determinations. A copy of that report shall be served by mail upon the applicant.

7.6 An applicant may request review of the action of the subcommittee within thirty (30) days of service of the report of the subcommittee. The request must be in writing, set forth the reasons review is sought and include all relevant evidence supporting the position of the Applicant. The request shall be considered by the Board Committee on Legal Services or another committee appointed by the Board of Governors for this purpose. The Board Committee shall review the determinations of the subcommittee. It may hold hearings as it deems appropriate.

7.7 The Board Committee shall record in writing its findings and determinations and make such additional comments as it deems appropriate. Notice of such action shall be served by mail upon the applicant.

7.8 Any further review of the issues shall be in accordance with rule 952(d), California Rules of Court.

Rule 8. Certification

8.1 Certification shall be for no more than two years from the date issued or for such shorter periods of time as may be determined by the State Bar. Certification shall be renewed every two years or for such shorter periods of time as may be determined by the State Bar, by the filing of a recertification application.

8.2 If a Lawyer Referral Service operates in more than one county, it shall apply for separate certification for each county in which the Lawyer Referral Service operates and fulfill these Rules for each county. For the purpose of this Rule, a Lawyer Referral Service "operates" in a county if it makes referrals to attorneys in that county.

A Lawyer Referral Service will not be required to establish a separate office in each county in which it operates. For the purposes of this Rule, District 1 will be considered as if it were one county. State Bar District 1 counties: Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity and Yuba.

This requirement may be waived if the Lawyer Referral Service presents written evidence to the State Bar that good cause exists for not fulfilling all these Rules for each county in which it operates.

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8.3 If an application for recertification is timely completed and filed, the existing certification shall continue in effect until recertification is issued or denied, or until the existing certification is suspended or revoked pursuant to Rule 19.

8.4 If certification is not renewed or is revoked pursuant to Rule 19, it shall expire and terminate. All activities subject to certification must cease upon the expiration of certification, non-renewal of certification or upon notice of revocation of certification, unless certification is extended pursuant to Rule 8.3.

8.5 Denial of an application for first time certification shall not prohibit the filing of a new application. Upon reapplication, the applicant must demonstrate full compliance with all requirements for certification. The fee for reapplication shall be the same as for application.

8.6 Upon the expiration or revocation of certification or following denial of an application for recertification, an applicant may re-apply for certification but must do so in accordance with the Rules pertaining to first time certification.

Rule 9. Fees

9.1 An applicant for certification or recertification shall pay, as a condition to the filing of an application, fees established by the Board of Governors, in such reasonable amounts as may be determined, and from time to time modified, by the Board of Governors.

9.2 Such fees shall be determined, in whole or in part, by a consideration of any combination of the following factors: a Lawyer Referral Service's gross annual revenues, number of panels, number of panel members, amount of fees charged to panel members, or for-profit or non-profit status; provided that such application or recertification fees not exceed ten thousand dollars (\$10,000) or one percent (1%) of the applicant's gross annual revenues generated by lawyer referral activity, whichever is less.

9.3 Certification and recertification fees not paid within thirty (30) days after due shall be delinquent and shall be subject to late charges in such reasonable amounts as may be determined, and from time to time modified, by the Board of Governors.

9.4 Written notice of delinquent fees shall state: the amount of the unpaid fee; the amount of any late charges; that failure to pay all fees due including late charges may result in suspension or revocation of certification; and that a certified Lawyer Referral Service may voluntarily relinquish certification in lieu of suspension or revocation.

9.5 Certification may be revoked due to failure to pay fees after written notice of delinquency.

9.6 If an application is withdrawn in writing within twenty (20) days after submission, fifty percent (50%) of the application fee shall be refunded. There shall be no refund of fees after that period of time.

9.7 An applicant may request in writing a waiver or reduction of fees based on financial necessity. The State Bar shall approve or deny the request for waiver or

reduction of fees based on a consideration of, among other factors, the Lawyer Referral Service's gross annual revenues, panel size, geographic area served, and length of time in operation.

Rule 10. Ownership and Supervision

10.1 The Lawyer Referral Service shall be supervised in its establishment and operation by a Governing Committee ("Committee") consisting of a minimum of three (3) members, having authority to make decisions necessary to operate the Lawyer Referral Service. At least 50% of the Committee shall be active members of the State Bar of California, and at least 50% of the Committee shall not receive referrals from the Lawyer Referral Service.

10.2 The Committee shall meet at least quarterly and shall review the annual report submitted by the Lawyer Referral Service pursuant to Rule 15.2.

10.3 The Committee shall also conduct and annually review the results of a random sampling of at least 10% of the clients referred to attorneys as to the client's satisfaction with the attorney's handling of the case and whether the client felt the fee charged was reasonable. Based on its review, the Committee shall make such alterations to the operation of the Lawyer Referral Service as it deems necessary.

10.4 A Lawyer Referral Service shall not be owned or operated, directly or indirectly, wholly or in part, by those lawyers to whom, individually or collectively, more than 20 percent of referrals are made. For purposes of this subdivision, a Lawyer Referral Service that is owned or operated by a bar association shall be deemed to be owned or operated by its Governing Committee so long as the Governing Committee is constituted and functions in the manner described by these Rules.

10.5 A Lawyer Referral Service shall establish and provide, to each client referred to an attorney, an address and telephone number in his or her county to which complaints about the Lawyer Referral Service or its attorneys may be directed, and shall inform clients that any unresolved complaints should be addressed to the State Bar of California.

Rule 11. Eligibility and Approval of Panel Attorneys

11.1 (a) Membership on any panel operated by the Lawyer Referral Service shall be open to all active members of the State Bar of California practicing in the geographical area served who are qualified by virtue of suitable experience in conformity with Rule 12.2. Attorney registration and membership fees shall be limited to reasonable amounts and shall encourage widespread attorney membership. Those Lawyer Referral Services with total registration and panel membership fees in excess of \$1,000 per month will be required to demonstrate that fees are reasonable and encourage widespread attorney membership. The factors which may be considered in evaluating the reasonableness of membership fees include, but are not limited to, the following:

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(1) the number of attorneys in the geographic service area as well as the number of attorneys applying to be members of the Lawyer Referral Service who are accepted and who are rejected;

(2) the cost of advertising, operations and member services;

(3) the panel membership fees of other certified Lawyer Referral Services operating in the same area;

(4) the number of attorneys who are members of the Lawyer Referral Service and the number of clients served by members of the Lawyer Referral Service;

(5) the nature and extent of programs for persons of limited means pursuant to Rule 12.5 undertaken by the Lawyer Referral Service.

(b) Membership on a panel may not be made contingent upon membership in a sponsoring entity; however, a separate, nominal administrative charge may be made to non-members of the sponsoring entity to reimburse the entity for its administrative services.

(c) Any arrangement, promise, agreement or understanding for or purchase by an attorney of more than one contract with the same Lawyer Referral Service or for the same subject matter panel of that Lawyer Referral Service is grounds for denial of certification or recertification or for decertification.

(d) Panel membership fees shall not be set with any representation, promise, agreement, understanding or guarantee to attorneys of a minimum number of contacts, calls, cases, referrals or clients or any arrangement or practice by a Lawyer Referral Service which directly or indirectly produces a guaranteed number of contacts, calls, cases, referrals or clients, including but not limited to: compensation for rejected referrals; free or reduced-fee extension of the attorney's contract with the Lawyer Referral Service; representation of referrals based upon past averages or formulas. Lawyer Referral Services may disclose actual past performance when the information is accurate, complete and not misleading.

11.2 Each attorney member of a Lawyer Referral Service panel shall agree in writing to abide by all rules and regulations of the Lawyer Referral Service including the requirement that each panel member submit any fee dispute arising between such member and a client referred by the Lawyer Referral Service, if the client so elects, to binding arbitration by a Fee Arbitration Committee of a bar association or other established Fee Arbitration Committee established pursuant to Business & Professions Code §§6200 et seq., or by means otherwise acceptable to the State Bar.

11.3 Each Lawyer Referral Service shall require each panel member to possess a policy of errors and omissions insurance in an amount not less than \$100,000 for each occurrence and \$300,000 aggregate per year. Proof of insurance shall be provided to the State Bar upon request.

11.4 The Governing Committee or its designee shall establish a method of review for continued panel

membership. Such review shall be conducted at least once every two years and shall evaluate the quality of services provided by member attorneys.

11.5 Each Lawyer Referral Service shall establish a uniform procedure to review refusals to admit an attorney to, and decisions to suspend or remove an attorney from, membership on any panel. In every case where a Lawyer Referral Service refuses to admit an attorney to a panel or suspends or expels an attorney from a panel, the Lawyer Referral Service must give the attorney a written statement of the reasons for its decision and offer the attorney a meaningful opportunity to be heard.

11.6 Each Lawyer Referral Service shall provide every panel member with a copy of these Rules.

Rule 12. Organization of Panels

12.1 Each Lawyer Referral Service shall establish such number and variety of panels as it determines will best enable the Lawyer Referral Service to make referrals that are responsive to individual client needs, pursuant to Rule 5.1.

12.2 Each Lawyer Referral Service shall establish one or more specific subject matter panels, and is encouraged to establish moderate and no fee panels, foreign language panels, alternative dispute resolution panels, and other special panels which respond to the referral needs of the consumer public, eligibility for which shall be determined on the basis of experience and other substantial objectively determinable criteria. Any attorney who is certified by the California Board of Legal Specialization as a specialist in a particular field shall be qualified for membership on the subject matter panel for such field by virtue of his or her certification. A Lawyer Referral Service may maintain a general panel.

12.3 For each subject matter panel, the Committee shall establish and file with the State Bar standards and procedures for:

(a) determining the qualifications for membership on the subject matter panel;

(b) reviewing the qualifications of a member to remain on or to be removed from the subject matter panel; and

(c) appealing decisions to suspend or remove a member from the subject matter panel, pursuant to Rule 11.5.

12.4 Each subject matter panel established must have a minimum of four (4) attorney panel members. This requirement may be waived if the Lawyer Referral Service presents written evidence to the State Bar of California that good cause exists to have fewer than four (4) attorney members.

12.5 In an attempt to increase access to the justice system for all Californians, the Lawyer Referral Service shall establish separate ongoing activities or arrangements that serve persons of limited means, unless it can demonstrate that it is unreasonable and impractical to do so. These activities or arrangements may include, but are not limited to programs that: provide free legal services to indigents; provide legal services at a reduced fee; and provide free

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legal advice and clearing house referral services to the public; or other cooperative efforts with existing pro bono programs.

To determine whether it is unreasonable and impractical for a Lawyer Referral Service to comply with this section, the following factors, among others, may be considered:

The financial resources of the Lawyer Referral Service, size of staff, total number of panel attorneys, the specialty areas of attorney members of the Lawyer Referral Service, the fees charged by the attorney members to clients of the Lawyer Referral Service, and the needs of the community, including the existence and accessibility of other local pro bono or legal services programs able to meet these needs.

12.6 There must be a minimum of twenty (20) attorney members to whom referrals can be made, and at least ten (10) attorney panel members must be from separate and independent law firms. This requirement may be waived or modified if the Lawyer Referral Service presents written evidence to the State Bar that good cause exists based on the local population, the attorney population or the geographic area to be served.

Rule 13. Referral Procedures

13.1 The Governing Committee shall establish rotational procedures to assure that each referral is made in a fair and impartial manner. To the extent feasible, such procedures shall be designed to respond to all circumstances of the client, including the type of the legal problem presented, geographic convenience and language needs.

The Lawyer Referral Service shall not operate so that all referrals from a specific geographical area are made to a single lawyer or law firm.

Failure to rotate sequentially all referrals to lawyers on the panel and/or failure to keep and maintain complete, current and continuous records of all referrals made to attorneys are grounds for denial of certification or recertification or for decertification.

13.2 No referral shall discriminate on the basis of race, color, sex, age, religious creed, national origin, ancestry, sexual orientation, disability, medical condition, marital status, political affiliation or veteran status.

13.3 No referral shall be made which violates any provision of the State Bar Act or Rules of Professional Conduct, including, but not limited to, restrictions against unlawful solicitation and false and misleading advertising.

13.4 The staff persons making the referrals and processing the requests for legal assistance may not be employees of any attorney to whom referrals are made.

13.5 A Lawyer Referral Service shall not be principally operated by a telephone answering service or device.

Rule 14. Publicity

14.1 Any publicity program or advertising developed, maintained or utilized by a Service shall promote the purposes of a Lawyer Referral Services as set forth in Rule 5. A copy of all materials used in publicity programs, advertising or other disseminations to the public shall be

filed with the State Bar with any application for certification or recertification, and with the Lawyer Referral Service's annual report upon request of the State Bar.

14.2 The form and content of all publicity of the Lawyer Referral Service shall not be false or misleading and shall comply with the standards for such publicity defined in the Rules of Professional Conduct and Business & Professions Code. For the purpose of public information and evaluation of the Service and its advertising, all advertising shall include the identity of the sponsor(s), the fact that it is a Lawyer Referral Service, the counties in which it operates and the State Bar Certification number of the Lawyer Referral Service.

Rule 15. Records and Reports

15.1 Each Lawyer Referral Service shall maintain and provide to the State Bar, upon request, current records of its operation including at least the following information:

(a) the name, address and pertinent qualifications of each panel member and the number and types of matters referred to each panel member;

(b) the name, address and type of matter presented by each client referred, the name of the panel member to whom the referral was made, and the date the referral was made;

(c) the total fees the Lawyer Referral Service requires of its panel attorneys, including but not limited to: registration fees to join the Lawyer Referral Service; fees paid to belong to each panel an attorney elects to join; referral or consultation fees remitted back to the Lawyer Referral Service; forwarding fees; advertising fees or other miscellaneous fees paid by the panel attorney to the Service.

15.2 The Committee of each Lawyer Referral Service shall file with the State Bar an annual report on the activities of the Service and of the Committee. Such report shall include at least the following:

(a) statistics derived from the operating records required by Rule 15.1 and what, if any, alterations have been made in the conduct of the Service by the Committee pursuant to Rule 10.3;

(b) a detailed accounting of all sources and amounts of income to the Service, all expenses related to the operations and promotion of the Lawyer Referral Service, the amount of current reserves held by the Lawyer Referral Service, and the specific disposition over the past two years of any reserves and/or surpluses derived from the Lawyer Referral Service; and

(c) the number of cases sampled pursuant to Rule 10.3, together with the results of the random sampling.

15.3 Failure to file the annual report by the recertification due date without a showing of good cause to the State Bar shall result in the immediate withdrawal of certification to operate a Lawyer Referral Service.

15.4 All documents, records, communications, and other materials from or pertaining to a Lawyer Referral Service, including its application for certification, shall become the

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property of the State Bar and shall be held in confidence and not released except upon prior order of the Board of Governors or by consent of the applicant.

Rule 16. Investigative Audits

16.1 Prior to certification or recertification and/or waiving the application or renewal fee under Rule 9.7, the State Bar of California shall review and conduct an investigation and administrative audit of each Service, as the State Bar deems appropriate and as resources allow, to determine and assure compliance with these Rules.

16.2 The State Bar shall have the right at any time to conduct an audit or investigation of any Service. Any audit or investigation under Rule 16 shall be at the Service's expense. The Service and its sponsoring entity shall have the obligation to cooperate fully therewith.

Rule 17. Fees Charged by a Lawyer Referral Service

17.1 A Lawyer Referral Service may require that:

(a) Each panel member pay to the Lawyer Referral Service a registration fee, "referral" or "percentage" fee (computed on a percentage basis or otherwise), or other like participating fee, or any two or more of such fees, as a condition of panel memberships, provided that such membership fees are reasonable and do not discourage widespread attorney membership;

(b) Each panel member pay the Lawyer Referral Service a referral, initial consultation or similar fee, or any two or more of such fees, as a condition of referral; provided, however, that no Lawyer Referral Service may require any fee that is, or any combination of fees that are, either in conflict with statutory or other legal provisions for the award of attorney fees or unreasonable, whether those fees be required of applicants, panel members or both. A Lawyer Referral Service is prohibited from charging a combination of fees which increases the client's cost for legal services beyond that which he or she would normally pay, or decreases the quantity or quality of services which he or she would otherwise receive, absent involvement of the Lawyer Referral Service.

17.2 The income generated by a non-profit Lawyer Referral Service shall be used only to pay reasonable operating expenses of the Service and/or to fund programmatic public service activities of the Service or its sponsoring entity, including the delivery of pro bono legal services.

Rule 18. Complaints

18.1 Complaints regarding Lawyer Referral Service activity must be in writing and submitted to the State Bar's Lawyer Referral Services Certification Program at the State Bar's San Francisco address. Complaints must provide sufficient factual information for the State Bar to determine if the complaint establishes a violation of these Rules or other applicable authorities.

18.2 The Chief Executive Officer of the State Bar, or a person or persons designated by the Chief Executive Officer, shall review all complaints and within a reasonable time thereafter determine what action, if any, is appropriate. The complainant shall be entitled to notice of what action, if any, is taken in connection with the complaint. The State

Bar shall provide the entity complained against with written notice of the complaint and an opportunity to respond when it appears that a violation of these Rules or other applicable authorities is involved.

18.3 Upon receipt, a complaint shall become the property of the State Bar. Complaints and investigations shall remain confidential until service of written notice of intent to revoke or suspend certification.

Rule 19. Revocation or Suspension of Certification

19.1 The Chief Executive Officer of the State Bar, or a person or persons designated by the Chief Executive Officer, may revoke or suspend certification for failure to demonstrate full compliance with these Rules or other applicable authorities, or for other good cause including but not limited to:

(a) Noncompliance with any provision of the statutes, these Rules or other authorities governing Lawyer Referral Services;

(b) Sharing common or cross ownership, interests, or operations with any entity which engages in referrals to licensed or unlicensed health care providers;

(c) Direct or indirect consideration regarding referrals between an owner, operator or member of a Lawyer Referral Service and any licensed or unlicensed health care provider; or

(d) Advertising on behalf of attorneys in violation of the Rules of Professional Conduct.

19.2 Revocation or suspension may include an investigation and administrative audit as provided in Rule 16.

19.3 Written notice of intent to revoke or suspend certification and of the reason(s) for such action shall be served by mail upon the Lawyer Referral Service.

19.4 A Lawyer Referral Service may request review of a determination to suspend or revoke certification within thirty (30) days of written notice of the intent to revoke or suspend. The request must be in writing, set forth the reasons review is sought and include all relevant evidence supporting the position of the Lawyer Referral Service. The request shall be considered by a subcommittee appointed by the Board of Governors or another committee appointed for this purpose by it. The subcommittee shall provide the Lawyer Referral Service with an opportunity to be heard consistent with due process requirements.

19.5 Upon the completion of such consideration, the subcommittee shall 1) revoke or suspend a certificate of compliance; 2) request further information; 3) decline to revoke or suspend a certificate of compliance, with or without conditions as the subcommittee may determine appropriate.

19.6 The subcommittee shall report in writing its findings, determinations and reasons for its determinations. A copy of that report shall be served by mail upon the Lawyer Referral Service, and the affected panel attorneys shall be given notice of any adverse action taken.

19.7 A Lawyer Referral Service may request review of the action of the subcommittee within thirty (30) days of service of the report of the subcommittee. The request must be in writing, set forth the reasons review is sought and

include all relevant evidence supporting the position of the Lawyer Referral Service. The request shall be considered by the Board Committee on Legal Services or another committee appointed by the Board of Governors for this purpose. The Board Committee shall review the determinations of the subcommittee. It may hold hearings as it deems appropriate.

19.8 The Board Committee shall record in writing its findings and determinations and make such additional comments as it deems appropriate. Notice of such action shall be served by mail upon the Lawyer Referral Service.

19.9 Any further review of the issues shall be in accordance with rule 952(d), California Rules of Court.

19.10 During the pendency of proceedings pertaining to suspension or revocation of certification, the existing certification shall remain in effect, subject to directives from the subcommittee or Board Committee based on appropriate findings.

RELATED CALIFORNIA RULES OF COURT

(b) [Review of State Bar Recommendation to Set Aside Stay of Suspension or Modify Probation]

A petition to the Supreme Court by a member to review a recommendation of the State Bar Court that a stay of an order of suspension be set aside or that the duration or conditions of probation be modified on account of a violation of probation shall be filed within 15 days after the filing with the Clerk of the Supreme Court of a certified copy of the decision complained of. Within 15 days after service of the petition, the State Bar may serve and file an answer. Within five days after service of such answer, the petitioner may serve and file a reply. (Adopted October 1, 1973; amended December 1, 1990.)

(c) [Review of Interim Decisions]

A petition to the Supreme Court by a member to review a decision of the State Bar Court regarding interim suspension, the exercise of powers delegated by rule 951, subdivisions (b) through (e), or on another interlocutory matter shall be filed within 15 days after written notice of the adverse decision of the State Bar Court is mailed, postage prepaid, by the State Bar to the petitioner and to his or her counsel or record, if any, at their respective addresses pursuant to section 6002.1. Within 15 days after service of the petition, the State Bar may serve and file an answer. Within five days after service of the answer, the petitioner may serve and file a reply. (Adopted December 1, 1990.)

(d) [Application for Readmission or Reinstatement] (Adopted April 20, 1943; repealed December 1, 1990.)

(d) [Review of Other Decisions]

A petition to the Supreme Court to review any other decision of the State Bar Court or action of the Board of Governors of the State Bar, or of any board or committee appointed by it and authorized to make a determination pursuant to the provisions of the State Bar Act, or of the chief executive officer of the State Bar or the designee of the chief executive officer authorized to make a determination pursuant to article 10 of the State Bar Act or these rules of court, shall be filed within 60 days after written notice of the action complained of is mailed, postage prepaid, to the petitioner, addressed to the petitioner at his or her address pursuant to section 6002.1. Within 15 days after service of the petition, the State Bar may serve and file an answer and brief. Within five days after service of the answer, the petitioner may serve and file a reply. If a review is ordered by the Supreme Court, the State Bar, within 45 days after filing of the order, may serve and file a supplemental brief. Within 15 days after service of the brief, the petitioner may file a reply brief. (Adopted April 20, 1943; amended July 1, 1968; amended and renumbered from 59(b) October 1, 1973; amended May 1, 1986; April 2, 1987; amended and relettered December 1, 1990.)

Rule 952. Review of State Bar Court Decisions

(a) [Review of Recommendation of Disbarment or Suspension]

A petition to the Supreme Court by a member to review a decision of the State Bar Court recommending his or her disbarment or suspension from practice shall be filed within 60 days after the filing with the Clerk of the Supreme Court of a certified copy of the decision complained of. The State Bar may serve and file an answer to the petition within 15 days of service. Within five days after service of the answer, the petitioner may serve and file a reply. If review is ordered by the Supreme Court, the State Bar shall serve and file a supplemental brief within 45 days after the filing of the order. Within 15 days of service of the brief, the petitioner may serve and file a reply brief. (Adopted April 20, 1943; amended July 1, 1968; October 1, 1973; December 1, 1990.)

RELATED CALIFORNIA RULES OF COURT

(e) [Service on State Bar] (Adopted July 1, 1968; repealed December 1, 1990.)

(e) [Contents of Petition]

A petition to the Supreme Court filed pursuant to subdivisions (a) and (b) of this rule shall be verified, shall specify the grounds relied upon, shall show that review within the State Bar Court has been exhausted, shall address why review is appropriate under one or more of the grounds set forth in rule 954 of these rules, and shall have attached a copy of the State Bar Court decision from which relief is sought. When review is sought pursuant to subdivisions (c) and (d) of this rule, the petition shall also be accompanied by a record adequate to permit review of the ruling, including:

(1) copies of all documents and exhibits submitted to the State Bar Court supporting and opposing petitioner's position;

(2) copies of all other documents submitted to the State Bar Court that are necessary for a complete understanding of the case and the ruling;

(3) a transcript of the proceedings in the State Bar Court leading to the decision, or if a transcript is unavailable, a declaration by counsel (i) explaining why a transcript is unavailable and (ii) fairly summarizing the proceedings, including arguments by counsel and the basis of the State Bar Court's decision, if stated; or a declaration by counsel stating that the transcript has been ordered, the date it was ordered, and the date it is expected to be filed, which shall be a date prior to any action requested of the Supreme Court other than issuance of a stay supported by other parts of the record.

All copies of documents shall be legible.

A petitioner who requests an immediate stay shall explain in the petition the reasons for the urgency and set forth all relevant time constraints.

If a petitioner does not submit the required record, the court may summarily deny the stay request, the petition, or both. (Adopted, effective December 1, 1990. Amended, effective February 1, 1991. Repealed and adopted effective March 15, 1991.)

(f) [Service]

All petitions, briefs, reply briefs, and other pleadings filed by a petitioner pursuant to this rule shall be accompanied by proof of service of three copies on the General Counsel of the State Bar at the San Francisco office of the State Bar, and of one copy on the Clerk of the State Bar Court at

the Los Angeles office of the State Bar Court. The State Bar shall serve the member at his or her address pursuant to section 6002.1, and his or her counsel of record, if any. (Adopted, effective December 1, 1990. Amended, effective February 1, 1991. Amended, effective March 15, 1991.)

PROCEDURES GOVERNING THE STATE BAR OF CALIFORNIA BOARD OF GOVERNORS CONSIDERATION OF A DETERMINATION TO REVOKE OR SUSPEND CERTIFICATION OF A LAWYER REFERRAL SERVICE

1. A three member subcommittee of the Board of Governors Committee on Regulation, Admissions & Discipline (RAD) shall consider a request from a Lawyer Referral Service (LRS) to review a determination of the State Bar's LRS Certification Program to suspend or revoke certification of a LRS under Rule 19 of the Rules & Regulations Pertaining to Lawyer Referral Services (Including Minimum Standards for a Lawyer Referral Service in California) ("Rules and Regulations") and Business & Professions Code Section 6155.
2. The subcommittee shall provide the LRS with an opportunity to be heard consistent with due process requirements. A hearing shall be scheduled and written notice given of the hearing no less than 30 days in advance of the hearing.
3. At the hearing, the LRS and the State Bar's LRS Certification Program will be heard through the presentation of written documents and declarations under penalty of perjury. The subcommittee may swear witnesses and take oral testimony only to the extent the subcommittee deems it necessary to their consideration of the matter.
4. The parties may request the opportunity to present oral testimony or cross-examine witnesses with respect to filed declarations on a showing of good cause. Such a request must be made in writing to the subcommittee no less than five days in advance of the scheduled hearing.
5. The burden of proof and of going forward with the evidence shall be upon the State Bar's LRS Certification Program to show that revocation or suspension of certification is warranted under Business & Professions Code 6155, the Rules & Regulations and other governing authorities. The standard of proof shall be clear and convincing evidence.
6. The hearing will be reported through a certified court reporter provided by the State Bar.
7. The subcommittee and the RAD Committee shall be advised by the State Bar's Office of General Counsel. The LRS Certification Program will be represented through the State Bar's Office of the Executive Director and the Office of the Chief Trial Counsel.
8. Twenty days before the scheduled hearing, the LRS Certification Program shall provide to the subcommittee, and serve upon the LRS, the written record upon which it will be relying at hearing.
9. Ten days before the scheduled hearing, the LRS shall provide to the subcommittee and serve upon the State Bar's LRS Certification Program, the written record upon which it will be relying at hearing.
10. Either party may file written objections to the evidence served and delivered to the committee, which objections must be served and filed with the subcommittee no less than five days before the scheduled hearing.

11. Documents and declarations submitted in support of and in response to the revocation action shall be admitted into evidence subject to appropriate objections.
12. The evidence presented to the subcommittee shall be considered by the subcommittee in accordance with the California Evidence Code.
13. Following consideration of the evidence presented, the subcommittee shall revoke or suspend certification, request further information as appropriate, or decline to revoke or suspend certification, with or without conditions, as the subcommittee may determine appropriate. The subcommittee shall report its findings in writing, which shall include the subcommittee's determinations and reasons for its determinations.
14. A copy of the subcommittee's report shall be served by mail upon the LRS and the State Bar's LRS Certification Program.
15. The LRS may request review of the action of the subcommittee within thirty days of receiving the report of the subcommittee. The request must be in writing, served upon the subcommittee and the LRS Certification Program, set forth the reasons review is sought and include all relevant evidence supporting the position of the LRS.
16. Such request shall be considered by the RAD Committee as a whole.
17. The LRS Certification Program shall respond to the LRS's request for appellate review by providing a written response. Oral testimonial evidence shall not be presented.
18. Review by the RAD Committee shall be limited to the record established before the subcommittee. New issues shall not be raised in accordance with standard appellate procedure.
19. The RAD Committee shall review the determinations of the subcommittee and the written presentations. The RAD Committee shall allow oral argument from the parties, as it deems appropriate. Following consideration of the record, the RAD Committee shall record in writing its findings and determinations upon the request for appellate review and make any additional comments it deems appropriate.
20. Notice of RAD's finding shall be served by mail upon the LRS and the State Bar's LRS Certification Program.
21. The action of the RAD Committee shall be the final action of the Board of Governors and of the State Bar of California regarding the issues.
22. Any further review of the issues shall be in accordance with Rule 952 (d), California Rules of Court.
23. During the pendency of proceedings pertaining to the suspension or revocation of certification, the existing certification shall remain in effect, subject to contrary directives from the subcommittee or the RAD Committee based upon appropriate findings.