



Dear Members:

Further to the Call to Action issued to all Los Angeles County Bar Association members in April 2021, LACBA is deeply concerned by the recent vote of the California State Bar's Paraprofessionals Program Working Group (PPWG). On August 16, by a vote of nine to five, the PPWG approved for presentation to the State Bar's Board of Trustees a new rule of professional conduct for non-lawyer paraprofessionals that would allow such persons to own a substantial minority equity interest—up to 49 percent—of a law firm.

The proposed rule contravenes existing Rule 5.4 of the California Rules of Professional Conduct—for attorneys—which expressly prohibits a lawyer from forming a partnership, corporation, or other organization with a non-attorney for the purpose of practicing law. (Cal. Rules Prof. Cond., rule 5.4(b), (d).) That rule also bars a lawyer from sharing legal fees directly or indirectly with persons who are not lawyers. (*Id.*, subd. (a).) This rule is designed to protect the integrity of the attorney-client relationship, to prevent lay persons from exercising control over an attorney's professional judgment and services, and to ensure that in rendering legal services, the client's best interests remain paramount. (*Gassman v. State Bar* (1976) 18 Cal.3d 125, 132; Los Angeles County Bar Assn., Formal Opinion No. 510 (2003).)

This proposed rule change and a number of other new rules relating to the practice of law by non-attorney paraprofessionals will be presented to the State Bar's Board of Trustees at its September 23-24 meeting and published for public comment. We urge all LACBA members to voice their concerns about these proposals, which threaten to harm California consumers and undermine the administration of justice. Comments from LACBA members on the proposed rule changes should be directed to the State Bar. Linda Katz (linda.katz@calbar.ca.gov) is the State Bar staff contact for the PPWG.

Sincerely,



Brad Pauley
LACBA President