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SUPREME COURT OF ARIZONA

IN THE MATTER OF PETITION TO AMEND SUPREME COURT RULE 32(A)—(M)	**Case No. __________** **PETITION TO AMEND ARIZ. SUP. CT. R. 32(A)—(M)**

Petitioners, President Warren Petersen and Speaker Ben Toma, request that this Court eliminate the requirement that attorneys join, and pay dues to, the State Bar Association of Arizona (the "Arizona Bar") as set out in Ariz. Sup. Ct. R. 32(a)—(m).[1] The Arizona Bar does not comply with the Supreme

[1] Goldwater filed a Petition to Amend Rules 32(c), (d). *See R-24-0030 Petition to Amend Rules 32(c) and (d), Rules of the Supreme Court*, Court Rules Forum (Oct. 15, 2024, 7:54 PM), which sought to: (1) bifurcate the Arizona Bar's regulatory and discretionary functions; and (2) eliminate the use of dues for non-regulatory functions. In response, this Court, in its Order dated 12/3/24

Court's mandate that it obtain attorneys' consent *before* spending mandatory bar dues on activities not "germane" to the regulation of attorneys. *Janus v. American FSCME*, 585 U.S. 878, 930 (2018) ("Unless employees **clearly and affirmatively consent <u>before</u>** any money is taken from them, this standard cannot be met." (emphasis added)); *see also* *Keller v. State Bar of Calif.*, 496 U.S. 1 (1990).

Granting this Petition would rectify that problem. The Arizona Bar would no longer be mandatory. It could then advocate, even for ideological causes, through voluntary support. In the interim, Petitioners propose this Court institute a study committee to prepare this Court to assume the narrow regulatory responsibilities, most of which it already performs. *See infra*, pgs. 14–19. Petitioners propose a date certain, January 1, 2027, by which the Arizona Bar would become fully voluntary and this Court—through the Arizona Office of the Courts ("AOC")—would assume regulatory responsibilities. A redline proposed draft, clean proposed draft, and proposed order are attached as <u>Exhibits A</u>, <u>B</u>, and <u>C</u>, respectively.

(the "Order"), amended Rule 32(c)(9) to prohibit the Arizona Bar from engaging in "lobbying activities," and limited the Bar to activities that are necessary "for the purpose of regulating the legal profession or improving the quality of legal services…in compliance with *Keller v. State Bar of Calif.*, 496 U.S. 1 (1990)." For the reasons discussed in this Petition, the Order does not rectify the Arizona Bar's constitutional deficiencies because it: (1) rests on *Keller*, which is an unworkable standard; and (2) violates *Janus*. *Infra*, pgs. 7–12. Petitioners urge this Court to address these deficiencies by following the model of twenty states (many of which have large legal markets, *i.e.* New York and Chicago) that regulate the practice of law through the court system. *Infra*, pgs. 14–20.

I. Introduction

The Arizona Bar is based on one Supreme Court decision—*Keller v. State Bar of Calif.*, 496 U.S. 1 (1990). This case is widely criticized and imposes an unworkable standard.

Specifically, *Keller* hinged on a now-overturned case, *Abood* v. *Detroit Bd. of Ed.*, 431 U.S. 209 (1977), which the Supreme Court recently overruled as "poorly reasoned," "inconsistent with" and "undermined by more recent decisions." Janus, 585 U.S. at 886; *see also e.g.*, *File v. Martin*, 33 F.4th 385, 392 (7th Cir. 2022) ("The tension between *Janus* and *Keller* is hard to miss.").

And the Arizona Bar does not even comply with *Keller*. *Janus*, as applied to *Keller*, **only** allows the Arizona Bar to mandate the payment of dues if it provides opt-in procedures for dues—wherein attorneys must affirmatively and proactively agree to fund activities that are not germane to their regulation. *Janus*, 585 U.S. at 930 ("Unless employees **clearly and affirmatively consent before** any money is taken from them, this standard cannot be met." (emphasis added)). Ignoring *Janus*, the Arizona Bar provides only refund procedures, which are legally insufficient. *See infra*, p. 12 (discussing *Janus*); State Bar of Arizona, *Lobbying Expense Refund*, https://www.azbar.org/about-us/government-relations/lobbying-expense-refund/#:~:text=Additionally%2C%20a%20member%20who%20objects,improve%20the%20practice%20of%20law (last visited Dec. 16, 2024) (establishing retroactive refunds).

Practically speaking, *Keller*'s test is unworkable. It requires this Court to ascertain whether the Arizona Bar's activities, including matters like gender and sexuality education, DEI task forces, lobbying initiatives, and social events, are:

(1) "Germane" to the "regulating the legal profession and improving the quality of legal services;" *Keller*, 496 U.S. at 13–14; and

(2) If the Court finds an activity not "germane," it must determine *to what degree* the Arizona Bar engages in non-germane activities—*i.e.* the "quantity, substance, or prominence" of the activities.

See Schell v. Chief Just. & Justs. of Oklahoma Supreme Ct., 11 F.4th 1178, 1195 n.11 (10th Cir. 2021). Those questions have caused a litany of needless litigation. *See infra*, p. 7.

In short, the mandatory Arizona Bar and *Keller's* "germane" framework risks First Amendment violations against its members and needless administrative complications for this Court. But there is a better, simpler way to manage the practice of law. Just sixty-one percent of resident "active" attorneys in the United States are not regulated through an exclusively mandatory bar like the Arizona Bar. *See* ABA's 2023–24 National Lawyer Population Survey, accessible through https://www.americanbar.org/news/profile-legal-profession/ (last visited Dec. 30, 2024) (the "2024 ABA Lawyer Survey").[2] Indeed, the highest

[2] *See* "Resident Active Attorney Count" for 2024 on pp. 6–7 and *compare* to total Lawyers in U.S. on p. 7. Arkansas, Colorado, Connecticut, Delaware, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Minnesota, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Vermont, Wisconsin, and the District of Columbia do not use an exclusively mandatory bar to regulate attorneys as a condition to practice law. California and Nebraska adopted bifurcated bars, wherein lawyers only pay for

appellate courts in many of the largest legal markets—New York and Illinois, for example—have successfully regulated the legal profession since the 1800s. State Bar Associations, *Lawyer Legion*, https://www.lawyerlegion.com/associations/state-bar/arizona (last visited Dec. 16, 2024).

This Court already performs most attorney regulation. Specifically, the Court performs these duties through its Committees on Character and Fitness and Admission, Committee on Alternative Business Structures, Committee for Probable Cause for Attorney Discipline, Hearing Panels, and Presiding Disciplinary Judge, as well as this Court's budgetary role in setting all regulatory fees. Ariz. Sup. Ct. Rs. 33(a)(4), 33.1(a)(4), 34(g), (h), 50(a), (e), 51(a), (c), 52(a), (b), (h); *see infra*, pgs. 14–19. This Court would have, based on current attorney membership fees, at least **fifteen million** dollars to fund the modest expansion of committees and personnel for AOC. *See* State Bar of Arizona, Statement of Activities, 2023 Budget, (last visited Dec. 16, 2023) (the "2023 Bar Budget").

II. Historical Context.

When the bar unification movement began in earnest in the 1920s, formal educational requirements to practice law were few and far between. ABA, *Legal Education and Professional Development—An Educational Continuum*, p. 104 (1992). In several states, any registered voter could practice law. Benjamin Barton, *Why Do We Regulate Lawyers? An Economic*

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regulatory activities. https://www.americanbar.org/groups/bar-leadership/resources/resourcepages/barworldbasics/barsbytype/ (last visited Dec. 31, 2024).

Analysis of the Justifications for Entry and Conduct Regulation, 33 Ariz. St. L.J. 429 (2001). The bar unification movement was an important development in these states.

However, that was not the case everywhere. In other states—Ohio, Massachusetts, Vermont, Pennsylvania—courts and voluntary bars have historically handled discipline. *See* Restatement (Third) of the Law Governing Lawyers §5 intro. note (1998) ("From colonial times until late in the 19th century, lawyer discipline was almost entirely a function of courts and voluntary bar associations.").

In Arizona, the Legislature and Arizona Bar have historically regulated attorneys. In 1907, the territory of Arizona enacted a law to "regulate admission to the practice of law," which was later re-enacted by the First State Legislature, and the Civil Code of 1913. *In re Miller*, 29 Ariz. 582 (1926). In 1933, however, Arizona's Bar was formed as a mandatory or "integrated" bar, meaning all attorneys seeking to practice law were required to join and pay an annual membership fee. Ariz. S. Ct. R. 32(c)(4).

Today, the Arizona Bar does "far more" than regulate lawyers, Roberta Tepper, *Engaging*, Ariz. Atty, Nov. 2023, p. 12, including:

- "[S]ponsor[ing]" education "relating to sexual orientation, gender identity, [and] gender expression" and managing a "Sexual Orientation and Gender Identity Council"[3]

[3] State Bar of Arizona, *Sexual Orientation and Gender Identity Council*, https://www.azbar.org/for-legal-professionals/communities/advisory-groups/sexual-orientation-and-gender-identity-council/ (last visited Dec. 16, 2024).

- Hosting a Creative Arts Competition for photographers, painters, poets, and other artists;[4]
- Posting trivia questions for "Trivia Tuesdays" on social media;[5]
- Disseminating reports conducted by the "Task Force on Social Justice, Bias, and Inclusion," calling for all CLE presenters being "at least 30% . . . Black or African American, Hispanic or Latinx, Asian or Pacific Islander, Native American, Native Hawaiian or Alaskan Native, LGBTQ+, or someone with a disability" by "December 31, 2023."[6]

These activities are far afield from regulating attorneys, and, in fact, violate the political, social, cultural, and religious values of many attorneys.

III. Supreme Court Precedent and Introduction to "Bar Wars"

The mandatory bar has been the subject of a complex web of caselaw aptly described as the "bar wars," *Boudreaux v. Louisiana State Bar Ass'n.*, 3 F.4th 748, 751 (5th Cir. 2021), which include two Supreme Court decisions, five denials of certiorari,[7] decisions in each of the Fifth, Sixth, Seventh, Eighth, Ninth, and Tenth Circuits, three circuit splits over fissures created by *Keller*, and more than fifty cases exemplifying the needless litigation brought about by mandatory bars.

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[4] Arts Competition Rules, (last visited December 10, 2024).
[5] *See* Instagram.com/statebarofarizona (last visited December 10, 2024).
[6] State Bar of Arizona, Task Force on Social Justice, Bias, and Inclusion Report, p.1 (Dec. 4, 2020).
[7] *Fleck v. Wetch*, 140 S. Ct. 1294 (2020); *Jarchow v. State Bar of Wis.*, 140 S. Ct. 1720 (2020); *Taylor v. Heath*, 142 S. Ct. 1441 (2022); *Crowe v. Or. State Bar*, 142 S. Ct. 79 (2021); *McDonald v. Firth*, 142 S. Ct. 1442 (2022).

Keller is at the heart of the "bar wars." *Boudreau*, 3 F.4th at 751. In *Keller*, attorneys challenged their mandatory bar, alleging the use of dues to finance ideological activities with which they disagreed violated their rights of speech and association. 496 U.S. at 4–5. The Court addressed only the compelled speech claim by introducing a test providing that mandatory dues can only be used for activities that are "germane" to "regulating the legal profession and improving the quality of legal services." *Id.* at 13. *Keller* hinges on *Abood*, in which the Supreme Court upheld a law requiring public employees to pay mandatory union dues. *Id.* at 9–10, 13, 16. *Keller* extended *Abood* to mandatory bar associations, "analog[izing] between the relationship of the Bar and its members . . . and [the relationship] of employee unions and their members." *Id.* at 12.

In 2018, the Supreme Court unequivocally overruled *Abood*, holding that laws that require a person to subsidize a private organization's political or ideological speech are subject to "exacting" scrutiny. *Janus*, 585 U.S. at 886. *Janus* overruled *Abood* as "poorly reasoned" and explained that "[i]t has led to practical problems and abuse," and that "[i]t is inconsistent with other First Amendment cases and has been undermined by more recent decisions." *Id.*

Elimination of *Abood* placed *Keller* on shaky constitutional ground. As the Fifth Circuit has noted, *Keller* is on "increasingly wobbly, moth-eaten foundations." *McDonald v. Longley*, 4 F.4th 229, 253 (5th Cir. 2021). Two Supreme Court Justices have dissented from denial of certiorari to reexamine *Keller* in light of *Janus*. *See Jarchow v. State Bar*, 140 S. Ct. 1720, 1720 (2020) (J. Thomas and J. Gorsuch) (dissenting from denial of certiorari) ("Now that *Abood* is no longer good law, there is effectively nothing left supporting our decision in *Keller*.").

IV. *Keller*'s "Germaneness Test" is Unworkable.

Even setting aside its shaky precedential ground, *Keller* is not a workable test. In fact, the Supreme Court has admitted as much, explaining that the "line between chargeable and nonchargeable [bar] expenditures has proved to be **impossible** to draw with precision." *Janus*, 585 U.S. at 921 (emphasis added); *see also* *Jarchow*, 140 S. Ct. at 1720 (J. Thomas, J. Gorsuch) (dissenting from denial of certiorari) (criticizing *Keller* and explaining that overruling *Abood* cast "significant doubt" on *Keller*). Tellingly, ten years after *Keller*, at least twenty-six of the thirty-two states with integrated bars had failed to institute procedures to comply with it. Brock, Ralph *'An Aliquot Portion of Their Dues:" A Survey of Unified Bar Compliance with Hudson and Keller*, 1 Tex. Tech J. Tex. Admin. L. 23, 53–85 (2000)).

Administering *Keller*'s test is unworkable for the following three reasons.

A. *Keller*'s "Germaneness" is a Mystery; It Cannot Be Defined or Quantified and Acts as Both Exacting Scrutiny and Rational Basis Review.

First, "germaneness" cannot be defined. *Keller* identified "'advanc[ing] a gun control or nuclear weapons freeze initiative [and] 'proposing ethical codes'" as the "bookends of the spectrum and left it to lower courts to work out intermediate cases." *McDonald*, 4 F.4th at 247 (quoting *Keller*, 496 U.S. at 16). And appellate courts have criticized application of the germaneness inquiry as "not merely generous," but "meaningless." *Kingstad v. State Bar of*

Wis., 622 F.3d 708, 725 (7th Cir. 2010) (Sykes, J., dissenting from denial of rehearing en banc); *see also* *Boudreaux*, 86 F.4th at 632–33 (summarizing the temptation to define germaneness as any "connection to a personal matter that might impact a person who is practicing law"); *Popejoy v. New Mexico Bd. of Bar Comm'rs*, 887 F. Supp. 1422, 1428 (D. N.M. 1995) ("[R]egulating the legal profession . . . carr[ies] some ideological or political baggage."); *see also* Gibson v. The Florida Bar, 798 F. 2d 1564, 1569 (11th Cir 1986) (describing the bar's purposes as "amorphous").

Second, a lack of "germaneness" cannot be quantified or measured. What must a court do if a bar performs one non-germane activity? How about several non-germane activities? Does it matter if the activities are rare or frequent? Well-advertised or concealed? Under *Keller*, courts must grapple with what degree, in "quantity, substance, or prominence," a bar association may engage in non-germane activities before it violates the First Amendment. *See* *Schell*, 11 F.4th at 1195 n. 11; *see also* *Gruber v. Oregon State Bar*, 2022 WL 1538645, at *5 (D. Or. May 16, 2022) ("[A]t what level of nongermane activity does compelled membership in a state bar cross the constitutional line?"); *Compare* *McDonald*, 4 F.4th at 250, 252 (holding that if a bar association engages in *any* element of nongermane speech, then its mandatory membership fails First Amendment scrutiny altogether) *with* *Schell*, 11 F.4th at 1192–94 (analyzing six challenged articles in a piece-by-piece analysis in state bar's published journal to decide whether each article is germane to the regulation of attorneys).

Third, although *Janus* requires "exacting scrutiny" for assessment of mandatory bar associations, *see* 585 U.S. at 916, some courts have applied the "germaneness" test as essentially rational basis review. Kingstad, 622 F.3d 708, 719 (7th Cir. 2010) (applying germaneness as rational basis review) ("The [germaneness] standard of review is deferential, as when we review challenged legislation to determine whether it is reasonably related to a legitimate governmental purpose." (emphasis added) (citing Keller, 496 U.S. at 15).

At bottom, mandatory bar associations have invited needless litigation; more than **fifty** cases been brought just since *Keller* came down. *See*, *e.g.*, *Lautenbaugh v. Nebraska State Bar Ass'n*, 2012 WL 6086913 (D. Neb. Dec. 6, 2012); *Kingstad v. State Bar of Wis.*, 622 F.3d 708 (7th Cir. 2010); *Romero v. Colegio De Abogados De Puerto Rico*, 204 F.3d 291 (1st Cir. 2000); *Popejoy v. New Mexico Bd. of Bar Comm'rs*, 887 F. Supp. 1422 (D.N.M. 1995); *Schneider v. Colegio de Abogados de P.R.*, 917 F.2d 620 (1st Cir. 1990). *Keller* echoes in inconsistency around the United States.

B. *Keller* Addressed Only Compelled Speech and Left Open Forced Association Claims.

In addition to compelled speech, mandatory bar membership also involves a broader freedom of association claim. Specifically, membership in a mandatory, integrated bar forces lawyers to associate with positions contrary to their own values.

Keller acknowledged the existence of a broader freedom of association claim but declined to consider it. 496 U.S. at 17 ("The California courts did not address this claim, and we decline to do so in the first instance. The state courts remain free, of course, to consider this issue on remand."); *see also*

Crowe v. Oregon State Bar, 989 F.3d 714, 728–29 (9th Cir. 2021) ("*Keller* and *Lathrop* thus speak for themselves: the Supreme Court has never resolved this broader free association claim based on compelled bar membership."(emphasis added).

The Ninth Circuit, however, addressed this issue immediately prior to the filing of this Petition. It held that a state bar violates the freedom of association of attorney members forced to join as a condition of practicing law if the bar engages in ideologically-driven causes—regardless of whether dues are expended to do so. *Crowe v. Oregon State Bar*, 112 F. 4th 1211, 1236 (9th Cir. 2024).

V. The Arizona Bar Has Not Complied with *Janus*.

In *Janus*, the Supreme Court required that mandatory bars use an opt-in rule, where members consent *before* membership dues are spent on non-regulatory functions. *Janus*, 585 U.S. at 930 (holding that "refund" procedure wherein chargeable expenditures not "germane" to a union's purpose is insufficient). Almost thirty years prior to *Janus*, *Keller* followed *Chicago Teachers Union, v. Hudson*, 475 U.S. 292 (1986) (describing "opt-out" procedures which forces lawyers to affirmatively act to obtain a refund after their dues have already been spent on speech or issues they oppose). But *Janus* undoubtedly applies to mandatory bar associations. *E.g.*, *Fleck v. Welch*, 139 S. Ct. 590, 590 (2018) (remanding a state bar association for further consideration in light of *Janus*).

Simply put, *Janus* set a new rule. The Arizona Bar ignored it. This Court's Order dated 12/3/24 does not rectify this issue.

Additionally, since it is nearly impossible to be aware of all the activities the State Bar engages in, as it does "far more" than regulate the profession, *see* Tepper, *Engaging*, Ariz. Atty, p. 12, the Arizona Bar places the onus on members to seek refunds after funds are spent. Clearly, such refunds are retroactive and violate *Janus*.

VI. **The Arizona Bar is Inherently Less Accountable, Transparent, and Efficient Than the Arizona Supreme Court.**

Mandatory bars have inherently divided loyalties, as they police attorneys while advancing their same professional interests. As one scholar aptly noted, more than sixty years after the onset of the bar unification movement, lawyers, judges, and legislators still don't know whether to prioritize the bar's: (1) "association[al] autonomy"; (2) "public accountability;" or (3) "the protection of captive [attorney] members." *See* Theodore Schneyer, *The Incoherence of the Unified Bar Concept: Generalizing From the Wisconsin Case*, Am. B. Found. Res. J. 1, 47, 48, 89 (1983)). In other words, it is not clear whether the Arizona Bar prioritizes public protection over attorney success.

Theodore Schneyer conducted one of the most "painstaking stud[ies]" of mandatory bar associations. Patricia Heim, *The Case for a Voluntary Bar*, 64 Wis. Law. 10, 61 (1991). He explained that courts have been "motivated. . . by a belief that the unified bars are insufficiently accountable to the public," which has caused "courts . . . to transfer[] all or most of their state bar's role in the disciplinary process to an administrative agency more directly answerable" to them. *Id.* at 4. And absent formal accountability, there is no evidence that states with integrated bars do a better job at regulating attorneys. *See The End of Mandatory State Bars*, 109 Geo. L.J. Online 1, 18–20 (2020) (analyzing mandatory bars—including public benefit through quality legal services, availability of services, and CLEs).

Moreover, mandatory bars must address bar complaints made against other attorneys for political reasons. Indeed, this Court amended Ariz. Sup. Ct. R. 53 (on an emergency basis) to address this very issue, imposing a standing requirement to reduce the possibility of baseless bar complaints and charges brought as political attacks under ASC No. R-24-0046.

This recent amendment shows this Court is aware that the Arizona Bar can be used as a political weapon. *See* R-24-0046 Petition to Amend Rule 53, Rules of the AZ Supreme Court ("Prior to recent election cycles, few charges concerning attorneys were submitted for investigation . . .[But] there have been at least 40 election-related cases submitted since November 2020."). To diminish this danger, this Court, which is accountable to the public, is better suited to discipline attorneys.

VII. This Court Should Regulate Attorneys While the Arizona Bar Exists as a Voluntary Association.

This Court is well-versed in the exacting scrutiny standard. *Janus,* 585 U.S. at 916. It is obvious that Arizona can regulate attorneys through a less restrictive means—without forcing lawyers to join the Arizona Bar, just as twenty other states do for *most* U.S. attorneys. Approximately 60.1% of lawyers do not live in states that do not use an exclusively integrated bar. *See* 2024 ABA Lawyer Survey. In fact, the largest legal markets, such as Massachusetts, New York, and Illinois, are regulated by the courts. *Id.*

A. This Court Would Have the Time and Funding to Perform the Modest Expansion.

This Court currently regulates most of the legal profession; the Arizona Bar performs only narrow functions under this Court's supervision. And under Exhibit C, this Court would have over a year before it assumes full regulatory responsibility on January 1, 2027. This is ample time. *Compare* Dan Kittay, *Deunification Challenge in Michigan, Big Changes in Nebraska: Part of a trend?* ABA Vol. 38, No. 5 (explaining that the Nebraska Supreme Court allowed only twenty-five days to dismantle a mandatory bar and create a voluntary one for non-regulatory activities).

While this Court would assume additional administrative work, the tasks would be modest in scope and easily replicated by the models set forth by voluntary bar states.

Moreover, this Court would have the funding to do so. In 2023, the Arizona Bar budgeted more than **$14,919,886.00** just from obligatory fees, including $11,204,935.00 in annual membership fees, $1,120,260.00 in compliance fees (*i.e.* Pro Hac Vice admission, reinstatement, and CLE-late fees), and $2,594,691.00 in CLE fees. *See* 2023 Bar Budget, pgs. 2–3. This Court would have—but need not use—nearly fifteen million dollars to secure the modest expansion outlined below.

B. This Court Already Oversees Much (or All) of Admissions, Discipline, and CLE Compliance.

To regulate the legal profession, this Court would oversee only three main functions: (1) admissions; (2) attorney discipline; and (3) compliance with professional development (i.e. CLEs). This Court already carries the bulk of this weight. Each is discussed in turn.

1. Attorney Admissions Would Remain the Same. Attorneys are Admitted Exclusively on Application Before this Court.

This Court already oversees the admission of new attorneys through its Committees on Examinations and Character and Fitness, both of which are comprised by members appointed by, and accountable to, this Court. Ariz. Sup. Ct. R. 33(a)(2). These Committees assess applicants and recommend admission based on their merits. *Id.*(a)(4). This Court—with no input or assistance from the Arizona Bar—then determines whether to admit an applicant. *Id.*(a)(4). Likewise, this Court is solely responsible to issue licenses to alternative business structures to allow them to practice through its Committee on Alternative Business Structures. Ariz. Sup. Ct. R. 33.1(a)(2),(4),(5). Nor does this Court receive assistance from the Arizona Bar in admitting applicants from other jurisdictions by motion. Ariz. Sup. Ct. R. 34(f)(5). Nothing would change.

Admission also includes pro hac vice applicants, via the application form already approved by this Court. Ariz. Sup. Ct. R. 39(a)(2)(A). The AOC—or a committee, if this Court prefers—would need only to confirm completion of pro hac vice applications and notify local counsel to file their Motion to Associate. *Id.* (D). The court in which the case is pending would handle all other facets of the pro hac vice admission. This is not a heavy lift for AOC.

2. <u>This Court Already Handles Most Attorney Discipline. Where Change is necessary, this Court Can Follow the Models of Voluntary Bar States.</u>

This Court already performs the bulk of attorney discipline, which is comprised of three stages—investigation, formal proceedings before the Presiding Disciplinary Judge and Hearing Panel, and appellate review. *See* Ariz. Sup. Ct. R. 55–58. The Arizona Bar is essential to none of them.

This Court already appoints and oversees: (1) the Attorney Discipline Probable Cause Committee to assess whether alleged misconduct warrants a formal complaint (Ariz. Sup. Ct. R. 50(a),(e); (2) the Presiding Disciplinary Judge to serve as chair of Hearing Panels (Ariz. Sup. Ct. R. 51(a); R. 52(b)); and (3) Hearing Panels to adjudicate complaints of misconduct, applicants for reinstatement, and contempt proceedings (Ariz. Sup. Ct. R. 52(a),(b), (h). This Court already handles appellate review of misconduct cases. Moreover, this Court maintains jurisdiction over the unauthorized practice of law. Ariz. Sup. Ct. R. 75(a). None of this would change.

By contrast, the Arizona Bar performs a limited role: it investigates misconduct, enters into diversion and consent agreements (if selected), and prosecutes formal complaints for attorney misconduct and the unauthorized practice of law. *See* Ariz. Sup. Ct. R. 55(a)(2), (b); R. 56(c); R. 57(a); R. 49(c)(1); R. 77(b).

This Court could easily supplant the Arizona Bar in performing this function. Each of the twenty voluntary-bar states have appointed a commission to prosecute attorney misconduct. Each commission goes by a different name—*i.e.* the Attorney Grievance Commission of New York, the Office of Disciplinary Counsel in Ohio, the Office of Bar Counsel in

Massachusetts. They all perform the same investigative and prosecutorial function. *E.g.*, 22 N.Y. CRR 1240.7 (New York); Oh. Gov. Bar R. V(4) (Ohio); Ma. S. J. C. R. 4:01 (Massachusetts).

Appointment of prosecutorial counsel would require only a modest increase in personnel. In Massachusetts, for example, the Office of Bar Counsel employs twenty-one staff members to investigate and prosecute claims for 40,075 attorneys. *Compare Massachusetts Board of Bar Overseers* https://www.massbbo.org/s/who-we-are-obc-acap (last visited Dec. 16, 2023); *with* 2024 ABA Lawyer Survey. And Colorado employs only thirteen attorneys (between "Assistant Regulation Counsel" and "Trial Counsel") to do so for 23,249 attorneys. *Compare* Colorado Supreme Court Office of Attorney Regulation, Who We Are, https://www.coloradosupremecourt.com/AboutUs/WhoWeAre.asp (last visited Dec. 16, 2024); *with* 2024 ABA Lawyer Survey. In 2023, Arizona Bar Counsel handled prosecution for 19,406 active attorneys, which involved only 568 investigations, resulting in only thirty-six suspensions and twenty-one reprimands. State Bar of Arizona, *2023 Annual Report*, pgs. 1, 3. Compared to other states, this Court would need only a modest staff to perform this role.

3. Oversight of CLE Compliance is a Manageable Task.

Typically, CLE oversight includes: (1) auditing attorneys' annual compliance with Arizona's requisite fifteen credit hours; (2) teaching courses; (3) accrediting courses; and (4) collecting fees for CLE courses. The Arizona Bar does not track compliance or accredit courses. And it teaches precious few—approximately 5%— of all CLE courses. The Arizona Bar only audits attorneys and collects fees (set by this Court). Ariz. R. 45(c), (d)(1).

The Arizona Bar does not track compliance; instead, attorneys self-report compliance through an "Affidavit of Compliance" and maintain records of CLE completion for two years. Ariz. Sup. R. Ct. 45(c). The Arizona Bar randomly select[s] a "designated number" of members to audit through reviewing evidence of fifteen credit hours, subject to exemptions and hardship waivers. *Id.*(b), (g). The AOC could easily do this.

The Arizona Bar has little CLE teaching responsibility. Although it does not disclose the number of courses taught by Bar Counsel, by the undersigned's count, approximately 95%[8] of CLE courses in the CLE catalogue from 2024 were taught by lawyers, judges, law professors, medical doctors, authors, and speakers. Bar Counsel taught approximately 5%. Moreover, the Arizona Bar does not even "approve or accredit providers or programs." State Bar of Arizona, *General MCLE FAQs*, https://www.azbar.org/licensing-compliance/mcle/mcle-faqs/ (last visited Dec. 16, 2024). It "assum[es]" attorneys can perform this function. *Id.*

The AOC could easily publish CLE requirements (set by this Court) pursuant to R. 45(a), collect fees, and audit members under R. 45(g). There is nothing daunting about this task. By way of example, Colorado's Office of Attorney Regulation employs seven members (supervised by the Colorado Supreme Court); they audit attorneys for 45 CLE credit hours over three years and accredit CLE programs. Co. Sup. Court, Attorney Reg. Counsel,

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[8] By the undersigned's count of 168 courses in the CLE catalogue for 2024, Bar Counsel co-taught nine of them.

https://www.coloradolegalregulation.com/aboutus/whoweare/ (last visited Dec. 16, 2024).

VIII. **The Arizona Bar Would Continue to Serve the Public as a Voluntary Organization.**

The Arizona Bar provides certain valuable services – pro bono opportunities, mentorship, and free legal hotlines. 2023 Annual Report, pp. 2–3. Though laudable, these endeavors do not justify a mandatory bar. States without mandatory bar associations provide these services too.

For example, New York's voluntary bar provides an Ethics Hotline and Virtual Legal Advice Clinic for the public. *Ethics Hotline* https://www.nycla.org/attorneys-ethics-hotline/ (last visited Dec. 16, 2024). As of 2017, it had more than 70,000 members, 125 employees, and a budget of $20 million. Scott Karson, NYSBA https://nysba.org/nysba-transforms-its-operations-to-better-serve-ny-attorneys/ (last visited Dec. 16, 2024); NYBSA Budget 2025, p. 2 (last visited Dec. 16, 2024).

These services exist in earnest in all voluntary bar states. Schneyer's study found that mandatory bars have: (i) not demonstrated better access to pro bono services; (ii) been *slower* to adopt programs beneficial to the public (like client security funds); and (iii) not demonstrated better levels of funding per member. *Schneyer*, p. 15, 100–03; *see also* Disbarred: Analysis of the Impact of Mandatory Bar Associations on Lawyer Population, 1889 Institute ("[T]here is scant evidence that mandatory bar associations have any significant impact on the quality of legal services . . .").

IX. **Conclusion.**

This Court should adopt the changes set forth in Exhibit A.

Respectfully submitted this 2nd day of January 2025.

By: */s/ Andrew W. Gould*
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EXHIBIT A

Rule 32. ~~Organization of~~ **Voluntary** State Bar of Arizona

(a) ***State Bar of Arizona.*** The ~~Supreme Court of Arizona maintains under its direction and control a corporate organization known as the~~ State Bar of Arizona **is a voluntary professional association, effective January 1, 2027. Individuals admitted to practice law in Arizona may choose to join the State Bar of Arizona. As a voluntary association, the State Bar of Arizona is empowered to set its own rules regarding governance, membership application, classifications of members, allocation of fees, member resignation, and all policies for its own maintenance and administration.**

1~~. *Practice of law*. Every person licensed by this Court to engage in the practice of law must be a member of the State Bar of Arizona in accordance with these rules.~~

~~2. *Mission.* The State Bar of Arizona exists to serve and protect the public with respect to the provision of legal services and access to justice. Consistent with these goals, the State Bar of Arizona seeks to improve the administration of justice and the competency, ethics, and professionalism of lawyers and those engaged in the authorized practice of law in Arizona. This Court empowers the State Bar of Arizona, under the Court's supervision, to:~~

~~A. organize and promote activities that fulfill the responsibilities of the legal profession and its members to the public;~~

~~B. promote access to justice for those who live, work, and do business in this state;~~

~~C. aid the courts in the administration of justice;~~

~~D. assist this Court with the regulation and discipline of persons engaged in the practice of law; assist the Court with the regulation and discipline of alternative business structures (ABS) and legal paraprofessionals; foster on the part of those engaged in the practice of law ideals of integrity, learning, competence, public service, and high standards of conduct; serve the professional needs of its members; and encourage practices that uphold the honor and dignity of the legal profession;~~

~~E. conduct educational programs regarding substantive law, best practices, procedure, and ethics; provide forums for the discussion of subjects pertaining to the administration of justice, the practice of law, and the science of jurisprudence; and report its recommendations to this Court concerning these subjects.~~

(b) Definitions. Unless the context otherwise requires, the following definitions shall apply to the interpretation of these rules relating to admission, discipline, disability and reinstatement of lawyers, ABSs, and legal paraprofessionals:

1. ~~"Board" means Board of Governors of the State Bar of Arizona.~~ **"AOC" means Arizona Office of the Courts.**

2. "Court" means Supreme Court of Arizona.

3. "Discipline" means those sanctions and limitations on members and others and the practice of law provided in these rules. Discipline is distinct from diversion or disability inactive status, but the term may include that status where the context so requires. Discipline includes sanctions and limitations on ABSs as provided in these rules and ACJA § 7-209 and legal paraprofessionals as provided in these rules and ACJA § 7-210.

4. "Discipline proceeding" and "disability proceeding" mean any action involving a respondent pursuant to the rules relating thereto. Further definitions applying to such proceedings are stated in the rule on disciplinary jurisdiction.

5. "Member" means ~~member~~ **an attorney licensed to practice law by AOC** ~~of the state bar, the classifications of which shall be as set forth in this rule~~ **who has elected to join the voluntary State Bar of Arizona.**

6. "Non-member" means a person licensed to practice law **by AOC, or** in a**nother** state or possession of the United States or a non-lawyer permitted to appear in such capacity, but who is not a **voluntary** member of the **voluntary State Bar of Arizona.** ~~state bar.~~

7. “Respondent” means any person, ABS, or legal paraprofessional subject to the jurisdiction of the court against whom a charge is received for violation of these rules, ACJA § 7-209 or ACJA § 7-210.

~~8. “State bar” means the State Bar of Arizona created by rule of this court.~~

~~**(c) Membership.**~~

1. *~~Classes of~~ Members*. ~~Members of the state bar shall be divided into six classes: active, inactive, retired, suspended, judicial, and affiliate.~~ ~~Disbarred or resigned persons are not members of the bar.~~

~~2. *Active Members*. Every person licensed to practice law in this state is~~ an Active ~~member~~ member ~~except for~~ ~~persons who are inactive, retired, suspended, judicial, or affiliate members~~.

~~3. *Affiliate Members*. Legal paraprofessionals are affiliate members~~ ~~for purposes of regulation and discipline under these rules~~.

~~4. *Admission, Licensure and Fees*. Upon admission to the state bar or licensure as a legal paraprofessional, a person.~~

~~(i) shall pay a fee as required by the supreme court, which shall include the annual membership fee for members of the state bar. If a person is admitted or licensed on or after July 1 in any year, the annual membership fee shall be reduced by one half.~~

~~(ii) Upon admission to the state bar, a lawyer applicant shall also, in open court, take and subscribe an oath to support the constitution of the United States and the constitution and laws of the State of Arizona in the form provided by the supreme court.~~

~~(iii) All members shall provide to the state bar office a current street address, e-mail address, telephone number, any other post office address the member may~~

~~use, and the name of the bar of any other jurisdiction to which the member may be admitted. Any change in this information shall be reported to the state bar within thirty days of its effective date. The state bar office shall forward to the court, on a quarterly basis, a current list of membership of the bar.~~

~~5. *Inactive Members*. Inactive members shall be those who have, as provided in these rules, been transferred to inactive status. An active member who is not engaged in practice in Arizona may be transferred to inactive status upon written request to the executive director. Inactive members shall not practice law in Arizona, or hold office in the State Bar or vote in State Bar elections. Inactive members may be certified to provide volunteer legal services to approved legal services organizations as provided in Rule 38(d) of these rules. On application and payment of the membership fee and any delinquent fees that may be due under Rule 45(d), they may become active members. Inactive members shall have such other privileges, not inconsistent with these rules, as the Board may provide. Incapacitated members may be transferred to disability inactive status and returned to active status as provided in these rules.~~

~~6. *Retired Members*. Retired members shall be those who have, as provided in these rules, been transferred to retired status. An active, inactive or judicial member who is not engaged in active practice in any state, district, or territory of the United States may be transferred to retired status upon written requites[1] to the executive director. Retired members shall not hold State Bar office or vote in State Bar elections. Retired members shall not practice law in any state, district, or territory of the United States. Retired members may be certified to provide volunteer legal services to approved legal services organizations as provided in Rule 38(d) of these rules. Retired members may return to active status subject to the requirements imposed on inactive members who return to active status, as set forth in subsection (c)(4) of this rule. Retired members shall have other privileges, not inconsistent with these rules, as the Board may provide. Incapacitated members may be transferred to disability inactive status and return to active status as provided in these rules.~~

~~7. *Judicial Members*. Judicial members shall be justices of the Supreme Court of Arizona, judges of the Court of Appeals and Superior Court of Arizona and of the United States District Court for the District of Arizona, and retired justices and judges who are eligible for temporary judicial assignment and are not engaged in the practice of law. Judicial membership status shall likewise be accorded to members of the State Bar who are full-time commissioners, city or municipal court judges, tribal court judges, judges pro tempore or justices of the peace in the state of Arizona~~

~~not engaged in the practice of law, or justices or judges of other courts of record of the United States or of the several states. Judicial members shall hold such classification only so long as they hold the offices or occupations entitling them to such membership or are retired from the offices or occupations entitling them to such membership, are eligible for temporary judicial assignment, and are not engaged in the practice of law. Judicial members shall be entitled to vote but shall not be entitled to hold office. Judicial members shall have such privileges, not inconsistent with the rules of this court, as the board provides. A judicial member who retires or resigns from the bench and seeks to engage in the practice of law must become an active member subject to all provisions of these rules.~~

~~8. *Membership Fees*. An annual membership fee for active members, inactive members, retired members, judicial members, and affiliate members shall be established by the board with the consent of this court and shall be payable on or before February 1 of each year. No annual fee shall be established for, or assessed to, active members who have been admitted to practice in Arizona before January 1, 2009, and have attained the age of 70 before that date. The annual fee shall be waived for members on disability inactive status pursuant to Rule 63. Upon application, the Chief Executive Officer/Executive Director may waive all or part of the dues of any other member for reasons of personal hardship. Both the grant or denial of an application shall be reported to the board. Denial of a personal hardship waiver shall be reviewed by the board. The board should take all steps necessary to protect private information relating to the application.~~

~~9. *Computation of Fee*. The annual membership fee shall be composed of an amount for the operation of the activities of the State Bar and an amount for funding the Client Protection Fund, each of which amounts shall be stated and accounted for separately. Each active and inactive member, who is not exempt, and each affiliate member shall pay the annual Fund assessment set by the Court, to the State Bar together with the annual membership fee, and the State Bar shall transfer the fund assessment to the trust established for the administration of the Client Protection Fund. The State Bar shall not conduct any lobbying activities in compliance with Keller v. State Bar of California, 496 U.S. 1 (1990). Additionally, a member who objects to particular State Bar lobbying activities may request a refund of the portion of the annual fee allocable to those activities at the end of the membership year.~~

~~10. *Allocation of Fee.* Upon payment of the membership fee, each individual lawyer member shall receive a bar card and each legal paraprofessional shall receive a certificate of licensure, issued by the board evidencing payment. All fees shall be paid into the treasury of the state bar and, except that portion of the fees representing~~

~~the amount for the funding of the Client Protection Fund shall be paid into the trust established for the administration of the Client Protection Fund.~~

~~11.~~ *Delinquent Fees.* ~~A fee not paid by the time it becomes due shall be deemed delinquent. An annual delinquency fee for active members, inactive members, retired members, judicial members, and affiliate members shall be established by the board with the consent of this court and shall be paid in addition to the annual membership fee if such fee is not paid on or before February 1. A member who fails to pay a fee within two months after written notice of delinquency shall be summarily suspended by the board from membership to the state bar, upon motion of the state bar pursuant to Rule 62, but may be reinstated in accordance with these rules.~~

~~12. *Resignation.*~~

~~A. Members in good standing who wish to resign from membership in the state bar may do so, and such resignation shall become effective when filed in the office of the state bar, accepted by the board, and approved by this court. After the resignation is approved by this court, such person's status shall be changed to "resigned in good standing."~~

~~B. Such resignation shall not be a bar to institution of subsequent discipline proceedings for any conduct of the resigned person occurring prior to the resignation. In the event such resigned person thereafter is disbarred, suspended or reprimanded, the resigned person's status shall be changed from "resigned in good standing" to that of a person so disciplined. Such resignation shall not be accepted if there is a disciplinary charge or complaint pending against the member.~~

~~C. Resigned persons in good standing may be reinstated to membership in the same manner as members summarily suspended under Rule 62 of these rules. Reinstatement of resigned persons shall be governed by the procedures set forth in Rule 64(f) and shall require:~~

~~i. payment of fees, assessments, and administrative costs the resigned person would have been required to pay;~~

~~ii. proof of completion of any hours of continuing legal education activity the resigned person would have been required to take, had the applicant remained a member; and~~

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~~iii. proof that the resigned person possesses the character and fitness to resume practicing law in this jurisdiction.~~

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~~D. A member wishing to resign shall apply on a form approved by the board and shall furnish such information as is required upon such form and shall make such allegations, under oath, as are required on such form.~~

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~~13. *Insurance Disclosure.*~~

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~~A. Each active and affiliate member of the State Bar of Arizona shall certify to the State Bar on the annual dues statement or in such other form as may be prescribed by the State Bar on or before February 1 of each year: (1) whether the lawyer or legal paraprofessional is engaged in the private practice of law; and (2) if engaged in the private practice of law, whether the lawyer or legal paraprofessional is currently covered by professional liability insurance. Each active and affiliate member who reports being covered by professional liability insurance shall notify the State Bar of Arizona in writing within 30 days if the insurance policy providing coverage lapses, is no longer in effect, or terminates for any reason. A lawyer or legal paraprofessional who acquires insurance after filing the annual dues statement or such other prescribed disclosure document with the State Bar of Arizona may advise the Bar as to the change of this status in coverage.~~

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~~B. The State Bar of Arizona shall make the information submitted by active and affiliate members pursuant to this rule available to the public on its website as soon as practicable after receiving the information.~~

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~~C. Any active or affiliate member of the State Bar of Arizona who fails to comply with this rule in a timely fashion may, on motion of the State Bar pursuant to Rule 62, be summarily suspended from the practice of law until such time as the lawyer or legal paraprofessional complies. Supplying false information in complying with the requirements of this rule shall subject the lawyer or legal paraprofessional to appropriate disciplinary action.~~

~~**(d) Powers of Board.** The State Bar shall be governed by the Board of Governors, which shall have the powers and duties prescribed by this Court. The board shall:~~

~~1. Fix and collect, as provided in these rules, fees approved by the Supreme Court, which shall be paid into the treasury of the State Bar.~~

~~2. Promote and aid in the advancement of the science of jurisprudence, the education of legal professionals and the improvement of the administration of justice.~~

~~3. Approve budgets and make appropriations and disbursements from funds of the State Bar to pay expenses necessary for carrying out its functions.~~

~~4. Formulate and declare rules and regulations not inconsistent with Supreme Court Rules that are necessary or expedient to enforce these rules, and by rule fix the time and place of State Bar meetings and the manner of calling special meetings thereof, and determine what number shall constitute a quorum of the State Bar.~~

~~5. Appoint a Chief Executive Officer/Executive Director to manage the State Bar's day-to-day operations.~~

~~6. Appoint from time to time one or more executive committees composed of members of the board and vest in the executive committees any powers and duties granted to the board as the board may determine.~~

~~7. Prepare an annual statement showing receipts and expenditures of the State Bar for the twelve preceding months. The statement shall be promptly certified by the secretary-treasurer and a certified public accountant, and transmitted to the Chief Justice of this Court.~~

~~8. Create and maintain the Client Protection Fund, as required by this court and authorized by the membership of the State Bar on April 9, 1960, said fund to exist and be maintained as a separate entity from the State Bar in the form of the Declaration of Trust established January 7, 1961, as subsequently amended and as it~~

~~may be further amended from time to time by the board. The trust shall be governed by a Board of Trustees appointed by the Board of Governors in accordance with the terms of the trust and the trustees shall govern and administer the Fund pursuant to the provisions of the trust as amended from time to time by the board and in accordance with such other procedural rules as may be approved by the Board of Governors.~~

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~~9. Implement and administer mandatory continuing legal education in accordance with Rule 45.~~

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~~10. Administer a Board of Legal Specialization to certify specialists in specified areas of practice in accordance with Rule 44.~~

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~~11. Establish, maintain, and fund the administration of a voluntary member assistance program to assist lawyers whose performance may be impaired by a mental, emotional, or behavioral condition, including use of alcohol or other drugs.~~

~~**(e) Composition of the Board of Governors.** The board is composed of sixteen elected governors and ten appointed governors, as provided by this Rule. Only governors elected or appointed under this Rule are empowered to vote at board meetings.~~

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~~1. *Implementation*. The State Bar shall implement this Rule in a manner that provides for the election and appointment of approximately one-third of the board each year.~~

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~~2. *Elected Governors*.~~

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~~A. Districts: Governors are elected from eight districts, as follows:~~

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~~i. Bar District One (Mohave, Navajo, Coconino and Apache counties): one governor~~

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~~ii. Bar District Two (Yavapai county): one governor~~

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~~iii. Bar District Three (Gila, Graham and Greenlee counties): one governor~~

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~~iv. Bar District Four (Cochise county): one governor~~

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~~v. Bar District Five (Pima and Santa Cruz counties): two governors~~

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~~vi. Bar District Six (Maricopa county): seven governors~~

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~~vii. Bar District Seven (La Paz and Yuma counties): one governor~~

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~~viii. Bar District Eight (Pinal county): one governor~~

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~~B. Qualifications. Each elected governor must be an active member of the State Bar of Arizona throughout the elected term. For five years prior to election to the board, each elected governor must have been an active State Bar member and have had no record of disciplinary sanctions under Rule 60.~~

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~~C. Nominations. Nominations for elected governor shall be by petition signed by at least five active State Bar members. Each candidate named in a petition and all members signing a petition must have their main offices in the district in which the candidate seeks to be elected.~~

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~~D. Elections. Election of governors will be by ballot. Active and judicial members are entitled to vote for the elected governor or governors in the district in which a member has his or her principal place of business, as shown in the records of the State Bar. Active out-of-state members may vote in the district of their most recent Arizona residence or place of business or, if none, in Bar District Six. The State Bar will send ballots electronically to each member entitled to vote, at the address shown in the records of the State Bar, at least two weeks prior to the date of canvassing the ballots. Members will return their ballots through electronic voting means, and the State Bar will announce the results at the ensuing annual meeting. The State Bar's bylaws will direct other details of the election process.~~

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~~E. Terms of service. Each elected governor shall serve a three-year term. An elected governor will serve on the board until a successor is elected and takes office at the annual meeting. If the board receives notice that an elected governor's principal place of business has moved from the district in which the governor was elected, or that the governor has died, become disabled, or is otherwise unable to serve, that governor's seat is deemed vacant, and the other elected and appointed governors will choose a successor by a majority vote.~~

~~F. Term limits. An elected governor may serve three consecutive terms, but may not be a candidate for a fourth term until three years have passed after the person's last year of service. Election or succession to a partial term of less than three years will not be included in calculating a member's term limit.~~

~~3. *Young Lawyers Division President*. In addition to those governors elected under Rule 32(e)(2), the elected president of the Young Lawyers Division will serve as a voting member of the board of governors. The election of the Young Lawyers Division president will be conducted as provided by Rule 32(e)(2)(C), except that only members of the Young Lawyers Division are entitled to vote in that election. The Young Lawyers Division president will serve a one-year term on the board.~~

~~4. *Appointed Governors*. The Supreme Court will appoint public, at-large, and district governors, collectively referred to as "appointed governors," to serve on the board.~~

~~A. Public governors. Four governors of the board are designated as "public" governors. The public governors must not be members of the State Bar and must not have, other than as consumers of legal services, a financial interest in the practice of law. Public governors are nominated by the board and appointed by the Supreme Court for terms of three years and begin board service at a time designated by the Court. The Court may decline to appoint any board nominee and may appoint as a public governor a person who was not nominated by the board. No more than two public governors may be from the same district. No individual may serve more than two terms as a public governor. The Court may fill a vacancy in an uncompleted term of a public governor, but appointment of a public member to a term of less than three years will not be included in a calculation of the member's term limit.~~

~~B. At-large governors. Three governors on the board are designated as "at-large" governors. At-large governors, who may be former elected, public, or district governors, are appointed by the Supreme Court for terms of three years and begin board service at a time designated by the Court. The Supreme Court may appoint at-large governors to successive terms. The Court may fill a vacancy in an uncompleted term of an at-large governor.~~

~~C. District governors. Three governors on the board are designated as "district" governors. District governors must be members of the State Bar, have their main office in the district of appointment, and meet the qualifications set out in Rule 32(e)(2)(B). District governors are appointed by the Supreme Court for terms of three years and begin board service at a time designated by the Court. The Court must appoint one district governor from Bar District Five and two district governors from Bar District Six. No individual may serve more than two terms as a district governor. The Court may fill a vacancy in an uncompleted term of a district governor, but appointment to a term of less than three years will not be included in a calculation of the member's term limit.~~

~~5. *Oath of Governors*. Upon commencing service, each governor, whether elected or appointed, must take an oath to faithfully and impartially discharge the duties of a governor.~~

~~6. *Removal of a Governor*. A governor of the board may be removed for good cause by a vote of two-thirds or more of the governors cast in favor of removal. Good cause may include, but is not limited to, conviction of a felony or a crime involving moral turpitude, imposition of a discipline sanction under Rule 60, repeatedly ignoring the duties of a governor, or disorderly activity during a board meeting. A board governor so removed may, within thirty days of the board's action, file a petition pursuant to Rule 23 of the Arizona Rules of Civil Appellate Procedure requesting that the Supreme Court review the board's determination of good cause. The Court will expedite consideration of the petition.~~

~~7. *Recusal of an Attorney Governor*. An attorney board member who is the subject of either a probable cause order issued pursuant to Rule 55(c)(1)(E) or an agreement for discipline by consent filed under Rule 57(a) must recuse him- or herself from serving on the board pending disposition of the matter.~~

~~8. *Board Advisor*. The immediate past president of the board will serve a one-year term as an advisor to the board. The advisor may participate in board discussions but has no vote at board meetings, except an immediate past president may continue to vote if his or her term as an elected board member has not expired. The board advisor, with the assistance of two or more governors chosen by the president, will lead a committee to recruit, recommend, and nominate candidates for the offices of president-elect, vice-president, and secretary-treasurer.~~

~~9. *Ex Officio Members*. The dean of each ABA-accredited law school in Arizona will serve as an ex officio member of the board. An ex officio member may participate in board discussions but may not vote at board meetings.~~

~~(f) Officers of the State Bar.~~

~~1. *Officers*. The board will elect its officers. The officers are a president, a president-elect, a vice-president, and a secretary-treasurer. An elected, at-large, or district governor may serve as an officer.~~

~~2. *Terms of Office*.~~

~~A. President. The term of the president will expire at the conclusion of the annual meeting. The president-elect whose term expired at the same annual meeting will then automatically become, and assume the duties of, president at that time.~~

~~B. President-elect, vice-president, and secretary-treasurer. The board must elect a new president-elect, a new vice-president, and a new secretary-treasurer at each annual meeting. Those newly elected officers will assume their respective offices at the conclusion of the annual meeting at which they are elected, and they will continue to hold their offices until the conclusion of the subsequent annual meeting at which their successors are elected.~~

~~C. Length of term. Each officer will serve a one-year term.~~

~~D. Successive terms. A governor may not be elected to a second term for any office that the governor has held during the preceding nine or fewer consecutive years of~~

~~service on the board. However, a governor may serve a partial term under Rule 32(f)(5), either before or after service of one full term.~~

~~E. Limitations. The term of a governor chosen as president or president-elect automatically extends until completion of a term as president if his or her term as a governor expires in the interim without their reelection or reappointment to the board, or if the term is limited under Rule 32(e)(2)(F). In either of these events, there shall not be an election or appointment of a new governor for the seat held by the president or president-elect until the person has completed his or her term as president, and then the election or appointment of a successor governor shall be for a partial term that otherwise remains in the regular three-year cycle under Rule 32(e)(1).~~

~~3. *Duties of Officers*. The president will preside at all meetings of the State Bar and of the board of governors, and if absent or unable to act, the president-elect will preside. Additional duties of the president, president-elect, vice-president, and secretary-treasurer may be prescribed by the board or set forth in the State Bar bylaws.~~

~~4. *Removal from Office*. An officer may be removed from office, with or without good cause, by a vote of two-thirds or more of the members of the board of governors cast in favor of removal.~~

~~5. *Vacancy in Office*. A vacancy in any office before expiration of a term may be filled by the board of governors at a meeting called for that purpose.~~

~~**(g) Annual Meeting.** Annual meetings of the state bar shall be held at times and places designated by the board. At the annual meeting reports of the proceedings of the board since the last annual meeting, reports of other officers and committees and recommendations of the board shall be received. Matters of interest pertaining to the state bar and the administration of justice may be considered and acted upon. Special meetings of the state bar may be held at such times and places as provided by the board.~~

~~**(h) Administration of Rules.** Examination and admission of lawyer members shall be administered by the committee on examinations and the committee on character~~

~~and fitness, as provided in these rules. Examination and licensure of legal paraprofessionals shall be administered by the Administrative Office of Courts as provided in ACJA § 7-210. Licensure of alternative business structures shall be by the Committee on Alternative Business Structures, as provided in these rules and ACJA § 7-209. Discipline, disability, and reinstatement matters shall be administered by the presiding disciplinary judge, as provided in these rules. All matters not otherwise specifically provided for shall be administered by the board.~~

~~**(i) Filings Made.** Papers required to be filed with the state bar under these rules shall be filed at the office of the state bar in Phoenix, except as is otherwise set forth in these rules.~~

~~**(j) Formal Requirements of Filings.** All verbatim records and all copies of recommendations, documents, papers, pleadings, reports and records required or permitted by any provision of these rules relating to admission, discipline, disability, and reinstatement may be either typewritten, electronically prepared, or copied by a process that is clear, legible, or audible. An original is not required.~~

~~**(k) Payment of Fees and Costs.** The payment of all fees, costs and expenses required under the provision of these rules related to membership, mandatory continuing legal education, discipline, reinstatement, and unauthorized practice of law shall be made to the State Bar. The payment of all fees, costs and expenses required under the application for admission to the practice of law, examinations and admission shall be made to the finance office of the administrative office of courts.~~

~~**(l) Expenses of Administration and Enforcement.** The state bar shall pay all expenses incident to the administration and enforcement of these rules relating to membership, mandatory continuing legal education, discipline, disability, and reinstatement of lawyers, including the membership, mandatory continuing legal education and disability of legal paraprofessionals, except that costs and expenses shall be taxed against a respondent or applicant for readmission, as provided in these rules. The Administrative Office of the Courts shall pay all expenses incident to administration and enforcement of these rules relating to application for admission to the practice of law, examinations and admission, including expenses related to application for licensure and examination of legal paraprofessionals. The State Bar and the Administrative Office of Courts may recoup extraordinary costs beyond the schedule of fees adopted by the Court relating to an alternative business structure~~

~~application for licensure or administration and enforcement of these rules against an alternative business structure.~~

~~(m) Meetings and Records.~~ ~~The State Bar will conduct meetings and maintain records under public access policies adopted by the Supreme Court.~~

Rule 32.2 Regulation of the Practice of Law

(a) *Attorney Regulation*. The Supreme Court of Arizona, through the Arizona Office of the Courts ("AOC"), regulates the practice of law, as set forth in Rules 31 through 74 of this Chapter V, notwithstanding any provision in these rules to the contrary. This Court empowers AOC, under the Court's supervision, to:

1. **aid the courts in the administration of justice as needed to regulate the practice of law as set forth in Rules 31 through 74 of this Chapter V;**

2. **assist this Court with the regulation and discipline of persons engaged in the practice of law, including admission to the practice of law; assist the Court with the regulation and discipline of alternative business structures (ABS) and legal paraprofessionals; foster on the part of those engaged in the practice of law ideals of integrity, learning, competence, public service, and high standards of conduct; and encourage practices that uphold the honor and dignity of the legal profession;**

3. **conduct educational programs regarding substantive law, best practices, procedure, and ethics; provide forums for the discussion of subjects pertaining to the administration of justice, the practice of law, and the science of jurisprudence; and report its recommendations to this Court concerning these subjects.**

(b) *Study Committee.* AOC shall create and oversee a Study Committee to recommend, review, and adopt specific rules by which AOC shall regulate the practice of law under this Chapter. On or before January 10, 2026, the Study Committee shall propose recommendations to this Court to modify this Chapter to establish AOC's regulation of the practice of law.

(c) *Attorney Fees.* An annual fee for active, inactive, and retired attorneys, judicial members, and affiliate attorneys shall be established by AOC with the consent of this Court and shall be payable on or before February 1 of each year. No annual fee shall be established for, or assessed to, active attorneys who have been admitted to practice in Arizona before January 1, 2009, and have attained the age of 70 before that date. The annual fee shall be waived for attorneys on

disability inactive status pursuant to Rule 63. Upon application, AOC may waive all or part of the dues of anyone for reasons of personal hardship. Both the grant or denial of an application shall be reported to AOC. Denial of a personal hardship waiver shall be reviewed within AOC. AOC should take all steps necessary to protect private information relating to the application.

1. *Computation of Fee Paid to AOC*. The mandatory annual fee required to practice law in Arizona shall be composed of an amount to fund the regulation of the practice of law and an amount for funding the Client Protection Fund, each of which amounts shall be stated and accounted for separately. Each attorney, who is not exempt, and each affiliate shall pay the annual Fund assessment set by the Court, to the AOC together with the annual fee, and AOC shall transfer the fund assessment to the trust established for the administration of the Client Protection Fund. If a person is admitted or licensed on or after July 1 in any year, the annual fee shall be reduced by one half.

2. *Allocation of Fee.* Upon payment of the annual fee, each individual lawyer shall receive a card evidencing licensure to practice, and each legal paraprofessional shall receive a certificate of licensure, issued by AOC evidencing payment. All fees shall be paid to AOC and, except that portion of the fees representing the amount for the funding of the Client Protection Fund shall be paid into the trust established for the administration of the Client Protection Fund.

3. *Delinquent Fees.* A fee not paid by the time it becomes due shall be deemed delinquent. An annual delinquency fee shall be established by AOC with the consent of this court and shall be paid in addition to the annual fee if such fee is not paid on or before February 1. An individual who fails to pay a fee within two months after written notice of delinquency shall be summarily suspended, but may be reinstated in accordance with these rules.

(d) Administration of Rules. Examination and admission of lawyers shall be administered by the committee on examinations and the committee on character and fitness, as provided in these rules. Examination and licensure of legal paraprofessionals shall be administered by AOC as provided in ACJA § 7-210. Licensure of alternative business structures shall be by the Committee on Alternative Business Structures, as provided in these rules and ACJA § 7-209. Discipline, disability, and reinstatement matters shall be administered by the presiding disciplinary judge, as provided in these rules. All matters not otherwise specifically provided for shall be administered by AOC, pursuant to the rules proposed by the Study Committee and adopted by this Court.

(e) Payment of Fees and Costs. The payment of all fees, costs and expenses required under the provision of these rules related to mandatory continuing legal education, discipline, reinstatement, unauthorized practice of law, application for admission to the practice of law, examinations and admission shall be made to AOC.

(f) Expenses of Administration and Enforcement. AOC shall pay all expenses incident to the administration and enforcement of these rules relating to mandatory continuing legal education, discipline, disability, and reinstatement of lawyers, including mandatory continuing legal education and disability of legal paraprofessionals, application for admission to the practice of law, examinations and admission, including expenses related to application for licensure and examination of legal paraprofessionals, except that costs and expenses shall be taxed against a respondent or applicant for readmission, as provided in these rules. AOC may also recoup extraordinary costs beyond the schedule of fees adopted by the Court relating to an alternative business structure application for licensure or administration and enforcement of these rules against an alternative business structure.

EXHIBIT B

Rule 32. Organization of State Bar of Arizona

(a) State Bar of Arizona. The Supreme Court of Arizona maintains under its direction and control a corporate organization known as the State Bar of Arizona.

1. *Practice of law*. Every person licensed by this Court to engage in the practice of law must be a member of the State Bar of Arizona in accordance with these rules.

2. *Mission.* The State Bar of Arizona exists to serve and protect the public with respect to the provision of legal services and access to justice. Consistent with these goals, the State Bar of Arizona seeks to improve the administration of justice and the competency, ethics, and professionalism of lawyers and those engaged in the authorized practice of law in Arizona. This Court empowers the State Bar of Arizona, under the Court's supervision, to:

A. organize and promote activities that fulfill the responsibilities of the legal profession and its members to the public;

B. promote access to justice for those who live, work, and do business in this state;

C. aid the courts in the administration of justice;

D. assist this Court with the regulation and discipline of persons engaged in the practice of law; assist the Court with the regulation and discipline of alternative business structures (ABS) and legal paraprofessionals; foster on the part of those engaged in the practice of law ideals of integrity, learning, competence, public service, and high standards of conduct; serve the professional needs of its members; and encourage practices that uphold the honor and dignity of the legal profession;

E. conduct educational programs regarding substantive law, best practices, procedure, and ethics; provide forums for the discussion of subjects pertaining to the administration of justice, the practice of law, and the science of jurisprudence; and report its recommendations to this Court concerning these subjects.

(b) Definitions. Unless the context otherwise requires, the following definitions shall apply to the interpretation of these rules relating to admission, discipline, disability and reinstatement of lawyers, ABSs, and legal paraprofessionals:

1. "Board" means Board of Governors of the State Bar of Arizona.

2. "Court" means Supreme Court of Arizona.

3. "Discipline" means those sanctions and limitations on members and others and the practice of law provided in these rules. Discipline is distinct from diversion or disability inactive status, but the term may include that status where the context so requires. Discipline includes sanctions and limitations on ABSs as provided in these rules and ACJA § 7-209 and legal paraprofessionals as provided in these rules and ACJA § 7-210.

4. "Discipline proceeding" and "disability proceeding" mean any action involving a respondent pursuant to the rules relating thereto. Further definitions applying to such proceedings are stated in the rule on disciplinary jurisdiction.

5. "Member" means member of the state bar, the classifications of which shall be as set forth in this rule.

6. "Non-member" means a person licensed to practice law in a state or possession of the United States or a non-lawyer permitted to appear in such capacity, but who is not a member of the state bar.

7. "Respondent" means any person, ABS, or legal paraprofessional subject to the jurisdiction of the court against whom a charge is received for violation of these rules, ACJA § 7-209 or ACJA § 7-210.

8. "State bar" means the State Bar of Arizona created by rule of this court.

9. "Regulatory activities" means the administration and enforcement of these rules relating to membership, mandatory continuing legal education, discipline, disability,

and reinstatement of lawyers, including the membership, mandatory continuing legal education and disability of legal paraprofessionals.

(c) Membership.

1. *Classes of Members.* Members of the state bar shall be divided into six classes: active, inactive, retired, suspended, judicial, and affiliate. Disbarred or resigned persons are not members of the bar.

2. *Active Members.* Every person licensed to practice law in this state is an active member except for persons who are inactive, retired, suspended, judicial, or affiliate members.

3. *Affiliate Members.* Legal paraprofessionals are affiliate members for purposes of regulation and discipline under these rules.

4. *Admission, Licensure and Fees.* Upon admission to the state bar or licensure as a legal paraprofessional, a person:

(i) shall pay a fee as required by the supreme court, which shall include the annual membership fee for members of the state bar. If a person is admitted or licensed on or after July 1 in any year, the annual membership fee shall be reduced by one half.

(ii) Upon admission to the state bar, a lawyer applicant shall also, in open court, take and subscribe an oath to support the constitution of the United States and the constitution and laws of the State of Arizona in the form provided by the supreme court.

(iii) All members shall provide to the state bar office a current street address, e-mail address, telephone number, any other post office address the member may use, and the name of the bar of any other jurisdiction to which the member may be admitted. Any change in this information shall be reported to the state bar within thirty days of its effective date. The state bar office shall forward to the court, on a quarterly basis, a current list of membership of the bar.

5. *Inactive Members.* Inactive members shall be those who have, as provided in these rules, been transferred to inactive status. An active member who is not engaged in practice in Arizona may be transferred to inactive status upon written request to the executive director. Inactive members shall not practice law in Arizona, or hold office in the State Bar or vote in State Bar elections. Inactive members may be certified to provide volunteer legal services to approved legal services organizations as provided in Rule 38(d) of these rules. On application and payment of the membership fee and any delinquent fees that may be due under Rule 45(d), they may become active members. Inactive members shall have such other privileges, not inconsistent with these rules, as the Board may provide. Incapacitated members may be transferred to disability inactive status and returned to active status as provided in these rules.

6. *Retired Members.* Retired members shall be those who have, as provided in these rules, been transferred to retired status. An active, inactive or judicial member who is not engaged in active practice in any state, district, or territory of the United States may be transferred to retired status upon written requites[1] to the executive director. Retired members shall not hold State Bar office or vote in State Bar elections. Retired members shall not practice law in any state, district, or territory of the United States. Retired members may be certified to provide volunteer legal services to approved legal services organizations as provided in Rule 38(d) of these rules. Retired members may return to active status subject to the requirements imposed on inactive members who return to active status, as set forth in subsection (c)(4) of this rule. Retired members shall have other privileges, not inconsistent with these rules, as the Board may provide. Incapacitated members may be transferred to disability inactive status and return to active status as provided in these rules.

7. *Judicial Members*. Judicial members shall be justices of the Supreme Court of Arizona, judges of the Court of Appeals and Superior Court of Arizona and of the United States District Court for the District of Arizona, and retired justices and judges who are eligible for temporary judicial assignment and are not engaged in the practice of law. Judicial membership status shall likewise be accorded to members of the State Bar who are full-time commissioners, city or municipal court judges, tribal court judges, judges pro tempore or justices of the peace in the state of Arizona not engaged in the practice of law, or justices or judges of other courts of record of the United States or of the several states. Judicial members shall hold such classification only so long as they hold the offices or occupations entitling them to such membership or are retired from the offices or occupations entitling them to such

membership, are eligible for temporary judicial assignment, and are not engaged in the practice of law. Judicial members shall be entitled to vote but shall not be entitled to hold office. Judicial members shall have such privileges, not inconsistent with the rules of this court, as the board provides. A judicial member who retires or resigns from the bench and seeks to engage in the practice of law must become an active member subject to all provisions of these rules.

8. *Membership Fees.* An annual membership fee for active members, inactive members, retired members, judicial members, and affiliate members shall be established by the board with the consent of this court and shall be payable on or before February 1 of each year. No annual fee shall be established for, or assessed to, active members who have been admitted to practice in Arizona before January 1, 2009, and have attained the age of 70 before that date. The annual fee shall be waived for members on disability inactive status pursuant to Rule 63. Upon application, the Chief Executive Officer/Executive Director may waive all or part of the dues of any other member for reasons of personal hardship. Both the grant or denial of an application shall be reported to the board. Denial of a personal hardship waiver shall be reviewed by the board. The board should take all steps necessary to protect private information relating to the application.

9. *Computation of Fee*. The annual membership fee shall be composed of an amount for the regulatory activities of the State Bar and an amount for funding the Client Protection Fund, each of which amounts shall be stated and accounted for separately. Each active and inactive member, who is not exempt, and each affiliate member shall pay the annual Fund assessment set by the Court, to the State Bar together with the annual membership fee, and the State Bar shall transfer the fund assessment to the trust established for the administration of the Client Protection Fund. The State Bar shall not conduct any lobbying activities, nor any other activities that do not pertain to the regulation of lawyers with the annual membership fee. Additionally, a member who objects to particular State Bar–activities that do not pertain to the regulation of lawyers may request a refund of the portion of the annual fee allocable to those activities at the end of the membership year.

10. *Allocation of Fee.* Upon payment of the membership fee, each individual lawyer member shall receive a bar card and each legal paraprofessional shall receive a certificate of licensure, issued by the board evidencing payment. All fees shall be paid into the treasury of the state bar and, except that portion of the fees representing

the amount for the funding of the Client Protection Fund shall be paid into the trust established for the administration of the Client Protection Fund.

11. *Delinquent Fees.* A fee not paid by the time it becomes due shall be deemed delinquent. An annual delinquency fee for active members, inactive members, retired members, judicial members, and affiliate members shall be established by the board with the consent of this court and shall be paid in addition to the annual membership fee if such fee is not paid on or before February 1. A member who fails to pay a fee within two months after written notice of delinquency shall be summarily suspended by the board from membership to the state bar, upon motion of the state bar pursuant to Rule 62, but may be reinstated in accordance with these rules.

12. *Resignation.*

A. Members in good standing who wish to resign from membership in the state bar may do so, and such resignation shall become effective when filed in the office of the state bar, accepted by the board, and approved by this court. After the resignation is approved by this court, such person's status shall be changed to "resigned in good standing."

B. Such resignation shall not be a bar to institution of subsequent discipline proceedings for any conduct of the resigned person occurring prior to the resignation. In the event such resigned person thereafter is disbarred, suspended or reprimanded, the resigned person's status shall be changed from "resigned in good standing" to that of a person so disciplined. Such resignation shall not be accepted if there is a disciplinary charge or complaint pending against the member.

C. Resigned persons in good standing may be reinstated to membership in the same manner as members summarily suspended under Rule 62 of these rules. Reinstatement of resigned persons shall be governed by the procedures set forth in Rule 64(f) and shall require:

i. payment of fees, assessments, and administrative costs the resigned person would have been required to pay;

ii. proof of completion of any hours of continuing legal education activity the resigned person would have been required to take, had the applicant remained a member; and

iii. proof that the resigned person possesses the character and fitness to resume practicing law in this jurisdiction.

D. A member wishing to resign shall apply on a form approved by the board and shall furnish such information as is required upon such form and shall make such allegations, under oath, as are required on such form.

13. *Insurance Disclosure.*

A. Each active and affiliate member of the State Bar of Arizona shall certify to the State Bar on the annual dues statement or in such other form as may be prescribed by the State Bar on or before February 1 of each year: (1) whether the lawyer or legal paraprofessional is engaged in the private practice of law; and (2) if engaged in the private practice of law, whether the lawyer or legal paraprofessional is currently covered by professional liability insurance. Each active and affiliate member who reports being covered by professional liability insurance shall notify the State Bar of Arizona in writing within 30 days if the insurance policy providing coverage lapses, is no longer in effect, or terminates for any reason. A lawyer or legal paraprofessional who acquires insurance after filing the annual dues statement or such other prescribed disclosure document with the State Bar of Arizona may advise the Bar as to the change of this status in coverage.

B. The State Bar of Arizona shall make the information submitted by active and affiliate members pursuant to this rule available to the public on its website as soon as practicable after receiving the information.

C. Any active or affiliate member of the State Bar of Arizona who fails to comply with this rule in a timely fashion may, on motion of the State Bar pursuant to Rule 62, be summarily suspended from the practice of law until such time as the lawyer or legal paraprofessional complies. Supplying false information in complying with the requirements of this rule shall subject the lawyer or legal paraprofessional to appropriate disciplinary action.

(d) Powers of Board. The State Bar shall be governed by the Board of Governors, which shall have the powers and duties prescribed by this Court. The board shall:

1. Fix and collect, as provided in these rules, fees approved by the Supreme Court, which shall be paid into the treasury of the State Bar.

2. Promote and aid in the advancement of the science of jurisprudence, the education of legal professionals and the improvement of the administration of justice.

3. Approve budgets and make appropriations and disbursements from funds of the State Bar to pay expenses necessary for carrying out its functions.

4. Formulate and declare rules and regulations not inconsistent with Supreme Court Rules that are necessary or expedient to enforce these rules, and by rule fix the time and place of State Bar meetings and the manner of calling special meetings thereof, and determine what number shall constitute a quorum of the State Bar.

5. Appoint a Chief Executive Officer/Executive Director to manage the State Bar's day-to-day operations.

6. Appoint from time to time one or more executive committees composed of members of the board and vest in the executive committees any powers and duties granted to the board as the board may determine.

7. Prepare an annual statement showing receipts and expenditures of the State Bar for the twelve preceding months. The statement shall be promptly certified by the secretary-treasurer and a certified public accountant, and transmitted to the Chief Justice of this Court.

8. Create and maintain the Client Protection Fund, as required by this court and authorized by the membership of the State Bar on April 9, 1960, said fund to exist and be maintained as a separate entity from the State Bar in the form of the Declaration of Trust established January 7, 1961, as subsequently amended and as it

may be further amended from time to time by the board. The trust shall be governed by a Board of Trustees appointed by the Board of Governors in accordance with the terms of the trust and the trustees shall govern and administer the Fund pursuant to the provisions of the trust as amended from time to time by the board and in accordance with such other procedural rules as may be approved by the Board of Governors.

9. Implement and administer mandatory continuing legal education in accordance with Rule 45.

10. Administer a Board of Legal Specialization to certify specialists in specified areas of practice in accordance with Rule 44.

11. Establish, maintain, and fund the administration of a voluntary member assistance program to assist lawyers whose performance may be impaired by a mental, emotional, or behavioral condition, including use of alcohol or other drugs.

(e) Composition of the Board of Governors. The board is composed of sixteen elected governors and ten appointed governors, as provided by this Rule. Only governors elected or appointed under this Rule are empowered to vote at board meetings.

1. *Implementation*. The State Bar shall implement this Rule in a manner that provides for the election and appointment of approximately one-third of the board each year.

2. *Elected Governors*.

A. Districts: Governors are elected from eight districts, as follows:

i. Bar District One (Mohave, Navajo, Coconino and Apache counties): one governor

ii. Bar District Two (Yavapai county): one governor

iii. Bar District Three (Gila, Graham and Greenlee counties): one governor

iv. Bar District Four (Cochise county): one governor

v. Bar District Five (Pima and Santa Cruz counties): two governors

vi. Bar District Six (Maricopa county): seven governors

vii. Bar District Seven (La Paz and Yuma counties): one governor

viii. Bar District Eight (Pinal county): one governor

B. Qualifications. Each elected governor must be an active member of the State Bar of Arizona throughout the elected term. For five years prior to election to the board, each elected governor must have been an active State Bar member and have had no record of disciplinary sanctions under Rule 60.

C. Nominations. Nominations for elected governor shall be by petition signed by at least five active State Bar members. Each candidate named in a petition and all members signing a petition must have their main offices in the district in which the candidate seeks to be elected.

D. Elections. Election of governors will be by ballot. Active and judicial members are entitled to vote for the elected governor or governors in the district in which a member has his or her principal place of business, as shown in the records of the State Bar. Active out-of-state members may vote in the district of their most recent Arizona residence or place of business or, if none, in Bar District Six. The State Bar will send ballots electronically to each member entitled to vote, at the address shown in the records of the State Bar, at least two weeks prior to the date of canvassing the ballots. Members will return their ballots through electronic voting means, and the State Bar will announce the results at the ensuing annual meeting. The State Bar's bylaws will direct other details of the election process.

E. Terms of service. Each elected governor shall serve a three-year term. An elected governor will serve on the board until a successor is elected and takes office at the annual meeting. If the board receives notice that an elected governor's principal place of business has moved from the district in which the governor was elected, or that the governor has died, become disabled, or is otherwise unable to serve, that governor's seat is deemed vacant, and the other elected and appointed governors will choose a successor by a majority vote.

F. Term limits. An elected governor may serve three consecutive terms, but may not be a candidate for a fourth term until three years have passed after the person's last year of service. Election or succession to a partial term of less than three years will not be included in calculating a member's term limit.

3. *Young Lawyers Division President*. In addition to those governors elected under Rule 32(e)(2), the elected president of the Young Lawyers Division will serve as a voting member of the board of governors. The election of the Young Lawyers Division president will be conducted as provided by Rule 32(e)(2)(C), except that only members of the Young Lawyers Division are entitled to vote in that election. The Young Lawyers Division president will serve a one-year term on the board.

4. *Appointed Governors*. The Supreme Court will appoint public, at-large, and district governors, collectively referred to as "appointed governors," to serve on the board.

A. Public governors. Four governors of the board are designated as "public" governors. The public governors must not be members of the State Bar and must not have, other than as consumers of legal services, a financial interest in the practice of law. Public governors are nominated by the board and appointed by the Supreme Court for terms of three years and begin board service at a time designated by the Court. The Court may decline to appoint any board nominee and may appoint as a public governor a person who was not nominated by the board. No more than two public governors may be from the same district. No individual may serve more than two terms as a public governor. The Court may fill a vacancy in an uncompleted term of a public governor, but appointment of a public member to a term of less than three years will not be included in a calculation of the member's term limit.

B. At-large governors. Three governors on the board are designated as "at-large" governors. At-large governors, who may be former elected, public, or district governors, are appointed by the Supreme Court for terms of three years and begin board service at a time designated by the Court. The Supreme Court may appoint at-large governors to successive terms. The Court may fill a vacancy in an uncompleted term of an at-large governor.

C. District governors. Three governors on the board are designated as "district" governors. District governors must be members of the State Bar, have their main office in the district of appointment, and meet the qualifications set out in Rule 32(e)(2)(B). District governors are appointed by the Supreme Court for terms of three years and begin board service at a time designated by the Court. The Court must appoint one district governor from Bar District Five and two district governors from Bar District Six. No individual may serve more than two terms as a district governor. The Court may fill a vacancy in an uncompleted term of a district governor, but appointment to a term of less than three years will not be included in a calculation of the member's term limit.

5. *Oath of Governors*. Upon commencing service, each governor, whether elected or appointed, must take an oath to faithfully and impartially discharge the duties of a governor.

6. *Removal of a Governor*. A governor of the board may be removed for good cause by a vote of two-thirds or more of the governors cast in favor of removal. Good cause may include, but is not limited to, conviction of a felony or a crime involving moral turpitude, imposition of a discipline sanction under Rule 60, repeatedly ignoring the duties of a governor, or disorderly activity during a board meeting. A board governor so removed may, within thirty days of the board's action, file a petition pursuant to Rule 23 of the Arizona Rules of Civil Appellate Procedure requesting that the Supreme Court review the board's determination of good cause. The Court will expedite consideration of the petition.

7. *Recusal of an Attorney Governor*. An attorney board member who is the subject of either a probable cause order issued pursuant to Rule 55(c)(1)(E) or an agreement for discipline by consent filed under Rule 57(a) must recuse him- or herself from serving on the board pending disposition of the matter.

8. *Board Advisor*. The immediate past president of the board will serve a one-year term as an advisor to the board. The advisor may participate in board discussions but has no vote at board meetings, except an immediate past president may continue to vote if his or her term as an elected board member has not expired. The board advisor, with the assistance of two or more governors chosen by the president, will lead a committee to recruit, recommend, and nominate candidates for the offices of president-elect, vice-president, and secretary-treasurer.

9. *Ex Officio Members*. The dean of each ABA-accredited law school in Arizona will serve as an ex officio member of the board. An ex officio member may participate in board discussions but may not vote at board meetings.

(f) Officers of the State Bar.

1. *Officers*. The board will elect its officers. The officers are a president, a president-elect, a vice-president, and a secretary-treasurer. An elected, at-large, or district governor may serve as an officer.

2. *Terms of Office*.

A. President. The term of the president will expire at the conclusion of the annual meeting. The president-elect whose term expired at the same annual meeting will then automatically become, and assume the duties of, president at that time.

B. President-elect, vice-president, and secretary-treasurer. The board must elect a new president-elect, a new vice-president, and a new secretary-treasurer at each annual meeting. Those newly elected officers will assume their respective offices at the conclusion of the annual meeting at which they are elected, and they will continue to hold their offices until the conclusion of the subsequent annual meeting at which their successors are elected.

C. Length of term. Each officer will serve a one-year term.

D. Successive terms. A governor may not be elected to a second term for any office that the governor has held during the preceding nine or fewer consecutive years of service on the board. However, a governor may serve a partial term under Rule 32(f)(5), either before or after service of one full term.

E. Limitations. The term of a governor chosen as president or president-elect automatically extends until completion of a term as president if his or her term as a governor expires in the interim without their reelection or reappointment to the board, or if the term is limited under Rule 32(e)(2)(F). In either of these events, there shall not be an election or appointment of a new governor for the seat held by the president or president-elect until the person has completed his or her term as president, and then the election or appointment of a successor governor shall be for a partial term that otherwise remains in the regular three-year cycle under Rule 32(e)(1).

3. *Duties of Officers*. The president will preside at all meetings of the State Bar and of the board of governors, and if absent or unable to act, the president-elect will preside. Additional duties of the president, president-elect, vice-president, and secretary-treasurer may be prescribed by the board or set forth in the State Bar bylaws.

4. *Removal from Office*. An officer may be removed from office, with or without good cause, by a vote of two-thirds or more of the members of the board of governors cast in favor of removal.

5. *Vacancy in Office*. A vacancy in any office before expiration of a term may be filled by the board of governors at a meeting called for that purpose.

(g) Annual Meeting. Annual meetings of the state bar shall be held at times and places designated by the board. At the annual meeting reports of the proceedings of the board since the last annual meeting, reports of other officers and committees and recommendations of the board shall be received. Matters of interest pertaining to the state bar and the administration of justice may be considered and acted upon. Special meetings of the state bar may be held at such times and places as provided by the board.

(h) Administration of Rules. Examination and admission of lawyer members shall be administered by the committee on examinations and the committee on character and fitness, as provided in these rules. Examination and licensure of legal paraprofessionals shall be administered by the Administrative Office of Courts as provided in ACJA § 7-210. Licensure of alternative business structures shall be by the Committee on Alternative Business Structures, as provided in these rules and ACJA § 7-209. Discipline, disability, and reinstatement matters shall be administered by the presiding disciplinary judge, as provided in these rules. All matters not otherwise specifically provided for shall be administered by the board.

(i) Filings Made. Papers required to be filed with the state bar under these rules shall be filed at the office of the state bar in Phoenix, except as is otherwise set forth in these rules.

(j) Formal Requirements of Filings. All verbatim records and all copies of recommendations, documents, papers, pleadings, reports and records required or permitted by any provision of these rules relating to admission, discipline, disability, and reinstatement may be either typewritten, electronically prepared, or copied by a process that is clear, legible, or audible. An original is not required.

(k) Payment of Fees and Costs. The payment of all fees, costs and expenses required under the provision of these rules related to membership, mandatory continuing legal education, discipline, reinstatement, and unauthorized practice of law shall be made to the State Bar. The payment of all fees, costs and expenses required under the application for admission to the practice of law, examinations and admission shall be made to the finance office of the administrative office of courts.

(l) Expenses of Administration and Enforcement. The state bar shall pay all expenses incident to the administration and enforcement of these rules relating to membership, mandatory continuing legal education, discipline, disability, and reinstatement of lawyers, including the membership, mandatory continuing legal education and disability of legal paraprofessionals, except that costs and expenses shall be taxed against a respondent or applicant for readmission, as provided in these rules. The Administrative Office of the Courts shall pay all expenses incident to administration and enforcement of these rules relating to application for admission to the practice of law, examinations and admission, including expenses related to application for licensure and examination of legal paraprofessionals. The State Bar and the Administrative Office of Courts may recoup extraordinary costs beyond the schedule of fees adopted by the Court relating to an alternative business structure application for licensure or administration and enforcement of these rules against an alternative business structure.

(m) Meetings and Records. The State Bar will conduct meetings and maintain records under public access policies adopted by the Supreme Court.

EXHIBIT C

PROPOSED ORDER

RE: PETITION TO AMEND RULES 32(a)—(m), RULES OF THE SUPREME COURT

ORDERED: The petition is GRANTED and the proposed amendments shall take effect on **January 1, 2027.**

FURTHER ORDERED: The Supreme Court will appoint a study committee to assist the Arizona Office of Courts to assume regulatory functions as set forth in Section V of the Arizona Rules of the Supreme Court (Rule 31 to Rule 74). The study committee will propose additional changes to these rules consistent with the amendments approved here on or before **January 10, 2026. The Supreme Court shall adopt final rules to establish the State Bar of Arizona as a voluntary association and provide that the Arizona Office of Courts shall regulate the practice of law in Arizona no later March 1, 2026.**