

**Electronically Filed
Supreme Court
SCMF-10-0000186
18-OCT-2022
10:05 AM
Dkt. 100 ORD**

SCMF-10-0000186

IN THE SUPREME COURT OF THE STATE OF HAWAI‘I

In the Matter of the
DISCIPLINARY BOARD OF THE HAWAI‘I SUPREME COURT

ORDER APPROVING THE BUDGET OF THE DISCIPLINARY
BOARD OF THE HAWAI‘I SUPREME COURT FOR CALENDAR YEAR 2023
(By: Recktenwald, C.J., Nakayama, McKenna, Wilson, and Eddins, JJ.)

Upon consideration of the 2023 proposed budget,
submitted to this court on October 4, 2022 by the Disciplinary
Board of the Hawai‘i Supreme Court, and our review of the Hawai‘i
State Bar Association’s letter dated September 23, 2022, wherein
the HSBA concurred with the 2023 proposed Disciplinary Board
budget, we note the Disciplinary Board seeks approval of a budget
with projected revenues of \$1,584,250 and projected expenditures
of \$1,992,918, and find that the Disciplinary Board has reserves
sufficient to cover the deficit. Therefore,

IT IS HEREBY ORDERED, pursuant to Rule 2.4(e)(8) of the Rules of the Supreme Court of the State of Hawai'i, that the Disciplinary Board's proposed budget for calendar year 2023, a copy of which is attached hereto, is approved.

DATED: Honolulu, Hawai'i, October 18, 2022.

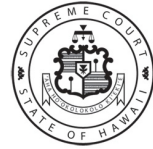
/s/ Mark E. Recktenwald

/s/ Paula A. Nakayama

/s/ Sabrina S. McKenna

/s/ Michael D. Wilson

/s/ Todd W. Eddins



PROPOSED 2023 DISCIPLINARY BOARD BUDGET
(07/20/2022)

| | 2022 Budget | 2022 Estimated Actual | 2023 Budget | Notes for 2023 |
|---|---------------------|-----------------------|---------------------|----------------|
| 1 Revenue | | | | |
| 2 Attorney Registration Fees | \$ 1,460,000 | \$ 1,516,223 | \$ 1,479,250 | Note A |
| 3 Interest on Bank Accounts | \$ 5,000 | \$ 3,000 | \$ 5,000 | |
| 4 Lawyers' Fund | \$ 120,000 | \$ 120,000 | \$ 100,000 | Note B |
| 5 | | | | |
| 6 TOTAL REVENUE | \$ 1,585,000 | \$ 1,639,223 | \$ 1,584,250 | |
| 7 Expenditures | | | | |
| 8 Salaries | | | | Note C |
| 9 Chief Disciplinary Counsel (Tamm) | | | | |
| 10 Deputy Chief Disciplinary Counsel (Fasi) | | | | |
| 11 Deputy Disciplinary Counsel (Little) | | | | |
| 12 Deputy Disciplinary Counsel (Bryant) | | | | |
| 13 Deputy Disciplinary Counsel (Hebblethwaite) | | | | |
| 14 Deputy Disciplinary Counsel III (Harada) | | | | |
| 15 Disciplinary Investigator (Sayavong) | | | | |
| 16 Disciplinary Investigator (Lemon) | | | | |
| 17 Law Student (Sewell) | | | | |
| 18 Manager Office Administration (Okamoto) | | | | |
| 19 IT and Administrative Specialist (A Sakurai) | | | | |
| 20 Legal Clerk (E Sakurai) | | | | |
| 21 Disciplinary Board Administrative Dir (Hee) | | | | |
| 22 | | | | |
| 23 TOTAL SALARIES | \$ 941,158 | \$ 906,566 | \$ 1,011,257 | |
| Disciplinary Board Professional Contract Service (includes Board Counsel) | \$ 20,000 | \$ 8,000 | \$ 15,000 | Note D.1 |
| 24 | | | | |
| 25 ODC Professional Contract Services (Adjunct/Contract Trustees) | \$ 120,000 | \$ 125,500 | \$ 250,000 | Note D.2 |
| 26 LF Staff Attorney | \$ 60,000 | \$ 60,000 | \$ - | Note D.3 |
| 27 | | | | |
| 28 TOTAL SALARIES AND PROFESSIONAL CONTRACT SERVICES | \$ 1,141,158 | \$ 1,100,066 | \$ 1,276,257 | |
| 29 | | | | |
| 30 Benefits: | | | | |
| 31 Retirement | \$ 94,115 | \$ 76,249 | \$ 101,126 | Note E.1 |
| 32 Medical Plans | \$ 114,480 | \$ 91,440 | \$ 109,080 | Note E.2 |
| 33 Group Life Insurance | \$ 5,000 | \$ 4,400 | \$ 5,000 | |

PROPOSED 2023 DISCIPLINARY BOARD BUDGET
(07/20/2022)

| | | 2022 Budget | 2022 Estimated Actual | 2023 Budget | Notes for 2023 |
|----|---------------------------------------|-------------|-----------------------|-------------|----------------|
| 34 | FICA | \$ 68,434 | \$ 57,624 | \$ 77,014 | |
| 35 | Workers' Compensation | \$ 3,000 | \$ 3,000 | \$ 3,000 | |
| 36 | Unemployment Comp. | \$ 9,000 | \$ 8,000 | \$ 9,000 | |
| 37 | TDI | \$ 6,500 | \$ 6,052 | \$ 6,500 | |
| 38 | Long Term Disability Ins. | \$ 5,000 | \$ 3,600 | \$ 5,000 | |
| 39 | Bar Membership Fees | \$ 2,545 | \$ 2,545 | \$ 3,054 | Note E.3 |
| 40 | Parking | \$ 12,000 | \$ 12,000 | \$ 12,000 | Note E.4 |
| 41 | EAP | \$ 1,000 | \$ 1,000 | \$ 1,000 | Note E.5 |
| 42 | TOTAL BENEFITS | \$ 321,074 | \$ 265,910 | \$ 331,774 | |
| 43 | | | | | |
| 44 | Current Expenses: | | | | |
| 45 | Services on a Fee Basis | | | | |
| 46 | Accountant Fees | \$ 6,250 | \$ 5,016 | \$ 6,250 | |
| 47 | IT Services (MB Technologies) | \$ 12,000 | \$ 10,128 | \$ 12,000 | |
| 48 | Michael Matters (Database Consultant) | | \$ 2,500 | \$ 2,500 | |
| 49 | Cyber-Security Consultant | \$ 12,000 | \$ 5,400 | \$ 10,800 | |
| 50 | Pension Services Corp. | \$ 3,000 | \$ 2,200 | \$ 3,000 | |
| 51 | Akamai Messenger Service | \$ 2,500 | \$ 2,200 | \$ 2,500 | |
| 52 | Ceridian | \$ 3,200 | \$ 3,200 | \$ 3,200 | |
| 53 | CPA Review of Financials | \$ 7,000 | \$ 18,000 | \$ 7,000 | |
| 54 | Stationery & Supplies | \$ 5,000 | \$ 7,000 | \$ 5,000 | |
| 55 | Postage/Postal Charges | \$ 6,000 | \$ 4,000 | \$ 5,000 | |
| 56 | Telephone | \$ 10,000 | \$ 9,800 | \$ 10,000 | |
| 57 | Trans (Inter-Island) | \$ 8,200 | \$ - | \$ 8,200 | Notes F.1 |
| 58 | Subsistence (Inter-Island) | \$ 1,000 | \$ 2,000 | \$ 2,000 | Notes F.2 |
| 59 | Trans (Out of State) | \$ 600 | \$ - | \$ 900 | Notes G.1 |
| 60 | Subsistence (Out of State) | \$ 1,715 | \$ - | \$ 1,715 | Notes G.2 |
| 61 | Conference Registration Fees | \$ 1,000 | \$ 1,200 | \$ 1,500 | Notes G.3 |
| 62 | Car Rental | \$ 500 | \$ - | \$ 1,000 | |
| 63 | Ads/Legal Notices | \$ 500 | \$ - | \$ 500 | |
| 64 | Publications/Subscriptions | \$ - | \$ 226 | \$ 226 | |
| 65 | Office Rent (CFT) | \$ 89,567 | \$ 90,234 | \$ 97,093 | Note H |
| 66 | Office Rent (1136 Union Mall #201) | \$ 17,491 | \$ 17,491 | \$ 17,491 | Note I |
| 67 | R & M (Leasing of Equipment) | \$ 12,000 | \$ 11,300 | \$ 8,500 | Note J.1 |
| 68 | R & M (Office) | \$ 500 | \$ 500 | \$ 500 | Note J.2 |
| 69 | Insurance | | | | |
| 70 | Commercial Package | \$ 1,500 | \$ 1,500 | \$ 1,500 | |

PROPOSED 2023 DISCIPLINARY BOARD BUDGET
(07/20/2022)

| | | 2022 Budget | 2022 Estimated Actual | 2023 Budget | Notes for 2023 |
|-----|------------------------------------|--------------|-----------------------|--------------|----------------|
| 71 | Umbrella | \$ 1,000 | \$ 1,000 | \$ 1,000 | |
| 72 | Erisa Bond | \$ 260 | \$ 275 | \$ - | |
| 73 | Director's & Officers Liability | \$ 5,500 | \$ 5,400 | \$ 5,500 | |
| 74 | Cyber Security Insurance | | \$ - | \$ 2,500 | |
| 75 | Professional Organization Dues | | | | Note K |
| 76 | NOBC | \$ 600 | \$ 600 | \$ 1,600 | |
| 77 | ABA (CPR) | \$ 175 | \$ 500 | \$ 500 | |
| 78 | NCLDB | \$ 100 | \$ 100 | \$ 100 | |
| 79 | OBI | \$ 150 | \$ 150 | \$ 150 | |
| 80 | Hawaii Employers Council | \$ 1,610 | \$ 1,610 | \$ 1,610 | |
| 81 | Computer Fees | \$ 35,000 | \$ 53,452 | \$ 53,452 | Note L |
| 82 | Data Management System Maintenance | \$ 10,000 | \$ - | \$ - | Note M |
| 83 | Employee Training | \$ 2,500 | \$ 650 | \$ 2,500 | |
| 84 | Litigation Costs | \$ 30,000 | \$ 25,000 | \$ 20,000 | Note N |
| 85 | Trusteeship Costs | \$ 30,000 | \$ 23,919 | \$ 20,000 | Note O.1 |
| 86 | Trusteeship Costs-Recovered | | \$ - | | |
| 87 | Contract Trustee | \$ 100,000 | \$ 35,000 | \$ - | Note O.2 |
| 88 | Contract Trustee Costs-Recovered | | \$ - | | |
| 89 | Judgment Filing Costs | \$ 300 | \$ 150 | \$ 300 | |
| 90 | Miscellaneous | \$ 500 | \$ 500 | \$ 500 | |
| 91 | HSBA Credit Card Fee Charge | \$ 30,000 | \$ 30,436 | \$ 33,000 | |
| 92 | Storage Reduction Project | \$ 32,000 | \$ 33,000 | \$ 30,000 | Note P |
| 93 | Trust Account Audit Initiative | \$ 10,000 | \$ - | \$ - | Note R |
| 94 | TOTAL CURRENT EXPENSES | \$ 491,218 | \$ 405,637 | \$ 381,087 | |
| 96 | Capital Expenses: | | | | |
| 97 | Equipment: | | | | |
| 98 | Computer Hardware | \$ 2,000 | \$ 3,000 | \$ 2,000 | |
| 99 | Recorders, Tapes, etc. | \$ 300 | \$ 300 | \$ 300 | |
| 100 | Furnishing: | | | | |
| 101 | Desks, Tables, etc. | \$ 1,500 | \$ 1,000 | \$ 1,500 | |
| 102 | TOTAL CAPITAL EXPENSES | \$ 3,800 | \$ 4,300 | \$ 3,800 | |
| 103 | (RECOVERED COSTS) | | \$ 27,173 | | |
| 104 | TOTAL EXPENDITURES | \$ 1,957,250 | \$ 1,748,740 | \$ 1,992,918 | |

PROPOSED 2023 DISCIPLINARY BOARD BUDGET
(07/20/2022)

| | | 2022 Budget | 2022 Estimated Actual | 2023 Budget | Notes for 2023 |
|-----|--|-----------------------|------------------------------------|-----------------------|----------------|
| 105 | | | | | |
| 106 | Excess of Revenue over Expenditures | \$ (372,250) | \$ (109,517) | \$ (408,668) | |
| 107 | Beginning Reserves | \$ 602,784 | \$ 658,247 | \$ 548,730 | |
| 108 | ENDING RESERVES | \$ 230,534 | \$ 548,730 | \$ 140,062 | |

COMPUTATION OF DISCIPLINARY BOARD FUNDS IN 2023

A. PROJECTED 2023 REGISTRATION FEES BY CATEGORY (estimated).

| Category | No of Attorneys* | Registration Fee | Amount |
|--------------------|------------------|------------------|------------------------|
| Active Attorneys | | | |
| 5+ Years | 4500 | \$ 250.00 | \$ 1,125,000.00 |
| 1-4 Years | 420 | \$ 150.00 | \$ 63,000.00 |
| Inactive Attorneys | 2489 | \$ 50.00 | \$ 124,450.00 |
| Pro Hac Vice | 278 | \$ 600.00 | \$ 166,800.00 |
| | | | <u>\$ 1,479,250.00</u> |

*Based on 2022 Attorney Registration Receipts from HSBA as of March 31, 2022.

B. CALCULATION OF 2023 TOTAL AVAILABLE REVENUE.

| | |
|---------------------------|------------------------|
| 2023 ARS Receipts* | \$ 1,479,250.00 |
| Interest on Bank Accounts | \$ 5,000.00 |
| Lawyers' Fund Admin Fee | \$ 100,000.00 |
| | <u>\$ 1,584,250.00</u> |

C. CALCULATION OF CARRYOVER AT DECEMBER 31, 2022

| | |
|--|----------------------|
| 2022 Projected Revenue | \$ 1,639,223.00 |
| 2022 Projected Expenditures | \$ 1,748,740.00 |
| 2022 Excess of Expenditure Over Revenue Over : | \$ (109,517.00) |
| December 31, 2021 Carryover | \$ 658,247.00 |
| | <u>\$ 548,730.00</u> |

D. TOTAL REVENUE FOR 2023 \$ 2,132,980.00

7/20/2022

NOTES

A. Attorney Registration Fees [**Line 2**]

The revenue projection is based on the number of attorneys registered in 2022 by HSBA through March 31, 2022.

B. Lawyers' Fund for Client Protection [**Line 4**]

ODC currently provides administrative and professional support to the Lawyers' Fund in the form of two administrative staff members, one Disciplinary Investigator for processing Lawyers' Fund claims, and the Chief Disciplinary Counsel who serves as the Fund Administrator. In 2021, the Fund added the position of Lawyers' Fund Counsel.

A cost analysis in 2021 estimated ODC's work performed for the Fund at \$120,000.00. In 2022, ODC and the Fund reviewed current and potential claims and agreed that less administrative and professional support will be needed in 2023. ODC and the Fund agreed that the fee to be paid to the Disciplinary Board will decrease to \$100,000.00.

C. Salaries [**Line 8**]

The salaries are based upon the following 12 full-time positions:

- 1 - Chief Disciplinary Counsel
- 1 - Deputy Chief Disciplinary Counsel
- 3 - Deputy Disciplinary Counsel I
- 1 - Deputy Disciplinary Counsel III
- 1 - Disciplinary Investigator
- 1 - Law Student
- 1 - Manager Office Administration
- 1 - IT and Administrative Specialist
- 1 - Legal Clerk
- 1 - Disciplinary Board Administrative Director

The position of "Deputy Disciplinary Counsel III" (DCC3) is a new position for an entry level attorney, replacing an investigator position eliminated by implementation of the 2020 Strategic Reorganization Plan. The "Law Student" slot is also anticipated to morph into a DCC3 position.

In 2023, ODC is budgeting for a maximum 4% salary increase for most employees). This is for budgeting purposes only, as the final salary amount will be based upon the individual employee's annual performance review.

As in 2022 and again in 2023, the budget reflects no salary increase for the Chief Disciplinary Counsel and the Disciplinary Board's Administrative Director.

D. Professional Services

1. Disciplinary Board Professional Contract Services
[Line 24]

This category includes the purchase of outside legal services as needed from an employment attorney and tax attorney. The Board Counsel is also an outside attorney, who provides legal research and advice to the Board in its adjudicatory and administrative roles. All of the above offer discounted rates to the Board.

2. ODC Professional Contract Services (Adjunct/Contract Trustees) [Line 25]

This \$250,000 line item consolidates the 2022 \$120,000 "ODC Professional Contract Services" with the 2022 \$100,000 "Contract Trustee" line items. Thus it is only a \$30,000 increase over 2022. This category includes the employment, on an hourly basis, of outside consultants, counsel to serve when ODC and the Disciplinary Board are disqualified from disciplinary cases, Adjunct Disciplinary Counsel, and attorneys who are appointed to serve as a paid Trustee by the Hawaii Supreme Court. Adjunct Disciplinary Counsel are attorneys hired on a contract basis, some from the neighbor islands, who bring with them knowledge and experience from various fields of law, to investigate disciplinary cases. Consolidating the line items gives ODC flexibility to apply the funds where needed given the uncertain developments as the year progresses.

3. Lawyers' Fund Staff Attorney [**Line 26**]

This category was previously provided for is for an attorney, paid on an hourly basis, to work solely on Lawyers' Fund claims. For 2023, the function will be performed by a full time ODC staff attorney (see line 13).

E. Benefits

1. Retirement Plan-Employer's Contribution [**Line 31**]

10% of gross salary total with 12 employees = \$101,126

2. Medical Plans [**Line 32**]

a. \$570.00/month x 12 employees x 12 months =
\$82,080.00

(Current premium for UHA plan is \$567.00 per month.)

b. Additional benefit for employees enrolled in a family plan \$450.00/month x 5 employees x 12 months = \$27,000.00

Total a + b = **\$109,080.00** (12 employees, 5 with family plans)

Remaining benefit amounts are based on either a percentage of salary total, or actual costs.

3. Bar Membership Fees [**Line 39**]

This category includes HSBA annual dues for all ODC attorneys and ABA dues for one attorney.

a. HSBA Dues

| | | |
|--------------------|-------------------|------------------|
| | Admitted 5+ Years | |
| HSBA | | \$210.00 |
| Processing Fee | | 15.00 |
| Disciplinary Board | | 250.00 |
| <u>AAP</u> | | <u>34.00</u> |
| | | 509.00 x 6 attys |

Total HSBA Dues: \$3,054.00

4. Parking [**Line 40**]

Parking at City Financial Tower, at \$250.00 per month, will be paid in full for the following positions:

Chief Disciplinary Counsel
Deputy Chief Disciplinary Counsel
IT/Admin Specialist
Disciplinary Board Administrative Director

Employees in these managerial positions are on-call and need access to the building, and parking, 24/7.

\$1,000.00/mo x 12 months = **\$12,000.00**

TOTAL Line 48 = **\$12,000.00**

5. Employee Assistance Program (EAP) [**Line 41**]

This program assists employees, as well as their family members, with personnel-related, and/or other health and wellness issues, by providing individual employee counseling, family counseling, and/or mediation. This has been an invaluable resource to employees as they navigate balancing work and home life during remote work and life after a pandemic.

F. Transportation and Subsistence-Inter-Island
[**Lines 57 and 58**]

1. Inter-Island [Line 57]

In 2022, the Disciplinary Board continued to meet by video conference.

In 2023, it is anticipated that some Board members, if they choose, will be able to return to in-person meetings for part of the year and this budget reflects those travel costs.

Three board members for monthly Board meetings at \$200.00 per trip

3 x \$200.00 per trip x 12 months = \$7,200.00

Additional travel for Chairperson to attend meetings with the Supreme Court or HSBA, or Hearing Officers to participate in hearings or settlement conferences:

5 x \$200 per trip = \$1,000.00

Total Line 55 = **\$8,200.00**

2. Subsistence (Inter-Island) [Line 58]

This category includes parking validation at ODC and any other related expenses. In 2022, employees who work from home are required to come into the office once a week for four hours. ODC pays for their parking validation. This will continue in 2023, and is increased in anticipation of more in-person meetings and training seminars at ODC.

G. Travel and Subsistence-Out of State [**Lines 59 and 60**]

In 2023, ODC will continue its no travel policy. No travel will be permitted outside of Hawaii for ODC staff. The current budgeted amount is for costs of a Board member attending the annual National Council of Lawyer Disciplinary Boards conference in 2023.

1. Travel-Out of State [Line 59]

National Council of Lawyer Disciplinary Boards [New Orleans, LA]

Round trip airfare \$900.00

Total Line 59 - \$900.00

2. Subsistence-Out of State [Line 60]

Hotel: \$250.00/night x 5 nights = \$1,250.00/trip

Meals: \$73.00/day x 5 days = \$365.00/trip

Ground Transportation: \$100.00/trip

Total Line 60: \$1,715.00

3. Conference Registration Fees [**Line 61**]

In 2023, in addition to attendance at the National Council of Lawyer Disciplinary Boards, ODC will again participate in national conferences, online only.

National Council of Lawyer Disciplinary Boards
National Organization of Bar Counsel Mid-Year and
Annual Meeting (2 ODC attorneys at each meeting)
Organization of Bar Investigators (1 Disciplinary
Investigator)
National Client Protection Organization (paid from the
Lawyers' Fund administration fee)

H. Office Rent-City Financial Tower [**Line 65**]

In 2021, the office space at 201 Merchant Street was reduced from 4,280 usable sq. ft. to 2,292 sq. ft. The new rate for 2023 is \$3,934.88, with a decrease in December to \$3,494.32. The Operating Expense (CAM), however, increased in July 2022 from \$3,581 to \$3,875. The budget for 2023 is as follows:

| | |
|--|----------------------------|
| 01/01/23 - 11/30/23 = \$3,924.88/month x 11 months = | \$47,098.56 |
| 12/01/23 - 12/31/23 = \$3,494.32/month x 1 month = | 3,494.32 |
| 2023 CAM = \$3,875/month x 12 months | = 46,500.00 |
| | TOTAL = \$97,092.88 |

I. Office Rent-1136 Union Mall [**Line 66**]

In 2023, ODC will continue renting a small office space at 1136 Bishop Street (Union Mall) to store up to 500 boxes at a time, process the files to destruction under ODC's paperless project and active trusteeship cases.

The cost of the space remains at \$1,457.59/mo x 12 months = \$17,491.08.

J. Repair and Maintenance

1. Leasing of Equipment [**Line 67**]

ODC will continue to lease selected office equipment, including the copiers (which also serves as high volume scanners), and a postage meter as this is a cost-effective method of financing and maintaining equipment. In July 2022, ODC renegotiated the lease of the copiers resulting in cost savings for the Disciplinary Board.

2. Office [**Line 68**]

This category includes cost of general repair within the office, not covered by building management.

K. Membership in Professional Organizations [**Lines 75-80**]

NOBC is the National Organization of Bar Counsel, which is the only organization that provides educational seminars and consulting on topics/issues specific to attorney discipline.

NCLDB is the National Council of Lawyer Disciplinary Boards, which is the Board's counterpart to the NOBC.

OBI is the Organization of Bar Investigators, which provides information sharing and educational opportunities for ODC's Disciplinary Investigators.

ABA, annual American Bar Association membership for one attorney at ODC. This membership also includes CPR, Center for Professional Responsibility, is a group of ABA which provides resource materials (including articles, opinions, and case law) on ethics and discipline.

Hawaii Employers' Council (HEC) provides support and guidance to employers on personnel issues. The membership includes a hotline for questions about discipline, discrimination, bullying, and leaves of absence. HEC is also a great resource for staff training, from how to be a manager, to first aid and CPR.

L. Computer Fees [**Line 81**]

In 2023, ODC continues and encourages remote work. Our budget reflects the technology needed to keep our computer system safe and secure. This category includes the cost of subscriptions to the following:

Microsoft Office 365
Zoom
LogMeIn (Remote Desktop)
Westlaw (Legal Research-Public Records)
Pacer (Federal Legal Research)
Hawaii Information Service (Real Estate/Business Records)
Luhina (Internet)
Adobe
Dropbox (Cloud Storage)
Quickbooks
Time Matters (Data Management System)

In addition to these subscriptions, we are continuing our work with Gum Design on a project to allow Hearing Officers and Respondents to upload documents for filing with the Disciplinary Board through the Board website, dbhawaii.org.

M. Data Management System Maintenance [**Line 82**]

This line item has been consolidated with Computer Fees.

N. Litigation Costs [**Line 84**]

This category includes costs for any court or bank documents used in investigation of ODC cases, service of subpoenas and Supreme Court orders, transcription of hearings, interviews, and more recently the transcription of telephone calls from the public used to assist in the filing of complaints, storage of ODC investigative and administrative files, and any other costs associated with the investigation and litigation of cases by ODC and the Board.

In 2023, it is anticipated that most of the old boxes in storage will be destroyed or moved to 1136 Union Mall. The reduction in the budget reflects this change.

O. Trusteeship Costs

Under Supreme Court Rule 2.20, trustees are appointed by the Court where an attorney dies, is disabled, is suspended or disbarred, or abandons his or her law practice, and no other responsible party can be found to wind down the practice. ODC is charged with initiating these proceedings and holding remaining client files once the trustee is discharged. Often, ODC's attorneys are appointed as trustees.

There are approximately 40 trusteeships open at ODC, with about 23 assigned to "paid" trustees. Although some are being handled by outside trustees, all are under ODC's oversight.

Due to ODC's outreach to educate the bar, it appears that more attorneys are cognizant of what happens when an attorney passes away or when a practice needs to be closed. ODC anticipates less in Trusteeship Costs for 2023.

1. Trusteeship Costs [**Line 85**]

Costs include postage, shipping, storage, and publication of notices of appointment of Trustee or destruction of files.

2. Contract Trustee [**Line 87**]

In 2022, the Board expects to pay for the services of contract Trustees in the following trusteeships: Christopher Bouslog, Harrison Chung, Brian De Lima, Paul Herran, Stuart Ing, G.K. Iopa, Grant Kidani, Edward Lebb, Gerard Lee Loy, Leslie Maharaj, David Mikonczyk, Randal Nagatani, Melody Parker, Walter Schoettle, David Sereno, Gary Tsuji, and Jefferson Willard.

In 2023, this line item will be consolidated with "ODC Professional Contract Services" [Line 25] (see *Paragraph D2 of these Notes*).

P. Storage Reduction Project [**Line 92**]

In 2022, ODC continues its focus to become "paperless." It is anticipated that the end of 2022 there will be an increase of costs due to delivery and destruction of boxes from storage by Access.

R. Trust Account Audit Initiative [**Line 93**]

In 2022, two auditors were retained, however their services were paid for the respondent attorney being audited. In 2023, ODC will continue to require respondents to pay for the auditor's services and this line item will be deleted.

07/20/2022