

California bar in freefall: Fraud, failure and a crisis of confidence

By **Jasmine Daya**

Law360 Canada (May 14, 2025, 2:23 PM EDT) -- California's legal community is facing an unprecedented crisis of credibility. From high-profile lawyer fraud cases to a statewide bar exam debacle affecting thousands of future lawyers, the State Bar of California finds itself at the centre of a firestorm — one that has shaken the trust of legal professionals, aspiring lawyers and the public alike.

As lawyers, we understand that no jurisdiction is immune to challenges — ethical lapses, administrative missteps or even the occasional scandal. However, watching the events unfold in California over the past year has been nothing short of startling. While every legal system faces pressure, the scale, pace and convergence of California's legal failures are unprecedented in modern memory, raising important questions not just for Californians but for lawyers around the world.



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Recent and significant crisis

In a matter of months, the California legal system has endured:

- The conviction of Sara King, a former lawyer who was accused of defrauding investors out of millions under the guise of luxury asset lending, while continuing to practise until criminal charges were laid;
- The ongoing fallout from the Tom Girardi scandal, in which one of the state's most powerful attorneys allegedly embezzled tens of millions from clients, aided in part by years of State Bar inaction;
- The February 2025 bar exam debacle, where technical failures disrupted thousands of examinees, leading to a rushed and unbalanced March retest with entirely different questions, sparking widespread fairness concerns;
- A recent lawsuit by the State Bar against Meazure Learning, the company contracted to administer the exam, due to a majority of applicants experiencing technical issues such as platform crashes, login failures and interface errors during testing;
- Wasted expenditure and embarrassment after the California Supreme Court recently directed the State Bar to revert to the Multistate Bar Exam (MBE) format beginning July 2025 as a result of the technical issues and backlash over confusing and allegedly AI-generated multiple-choice questions. Note that Kaplan Exam Services held a five-year contract of US\$8.25 million, and payment has been remitted despite cessation of services at this point;
- The resignation of Leah Wilson, executive director of the State Bar of California, effective July 2025; and
- The legal infrastructure itself, the State Bar of California's financial crisis, which has pushed the organization dangerously close to insolvency.

The above is a non-exhaustive list but highlights some of the most significant issues that the State Bar of California has faced in recent months.

Lesson to be learned

No legal system is flawless; however, the events unfolding in California feel more like a systemic collapse than a series of unfortunate events. The State Bar is not only dealing with ethical crises and licensing controversies, but it is also fighting for its financial survival.

It's difficult to imagine such monumental failures occurring in rapid succession in Ontario or in any other Canadian jurisdiction without a full-blown public reckoning. The Law Society of Ontario has faced criticism and reform movements of its own, but the degree of regulatory collapse, ethical breaches and operational dysfunction seen in California is in a class of its own.

That is not to say we should be complacent. In fact, we should be watching California closely, not with superiority, but with concern and vigilance.

For those of us practising in other jurisdictions, this should be a warning. The independence and credibility of our profession are earned slowly and lost quickly; they must be safeguarded and not assumed. Regulatory bodies must remain independent, responsive and transparent, especially in the face of misconduct or operational failures, because when the body responsible for upholding the rule of law becomes compromised, so too does public confidence in the profession.

The State Bar of California stands at a crossroads. Public trust is eroding, institutional credibility is faltering, and those entering the profession are questioning the integrity of the very system meant to uphold justice. Whether through court reform, leadership overhaul or legislative intervention, change is no longer optional; it is imperative.

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