

The Rutter Group California Practice Guide: Professional Responsibility and Liability

What's New or Updated 2026

For the 2026 Edition of *Professional Responsibility and Liability*, the authors have added new material and/or updated existing material based on relevant case and statutory law developments, including, but not limited to, the following subjects:

Advertising and Solicitation

- **Legal Advertising Amendments:** Several Bus. & Prof.C. sections amended/added, including mandatory contents and prohibitions for advertisements.
- **Civil Enforcement procedures:** New procedures and remedies for civil actions based on advertising violations.
- **Referral Services:** Joint advertising clarified; civil penalties under UCL for violations.
- **Solicitation:** Expanded civil liability and remedies for violations.

Attorney Fees and Fee Agreements

- **Litigation Funding:** New California Consumer Litigation Funding Act regulates consumer legal funding, attorney involvement, and privilege.
- **Fee Sharing:** New prohibition on sharing contingent fees with out-of-state ABS, effective 1/1/26 through 1/1/2030.

Professional Competence, Diligence and Supervision

- **GenAI Competence:** Duty to understand and review generative AI output; sanctions for citing fabricated authority.

Professional Malpractice and Liability

- **Emotional Distress Damages:** Awarded for egregious malpractice and breach of fiduciary duty.

Handling Entrusted Funds and Property

- **Client Trust Account Reporting:** New requirements for financial institutions and attorneys, including annual reporting, registration, and self-assessment.
- **CTAPP Compliance:** Expanded reporting rules, noncompliance consequences, and audit procedures.

Attorney Discipline

- **Oath Declaration:** Annual reaffirmation of oath required; failure results in inactive status.
- **Reinstatement/Involuntary Enrollment:** Updated procedural requirements and standards.

Note: This summary highlights the major changes and updates in each chapter. For detailed discussion and citations, refer to the relevant paragraph numbers in the 2026 Practice Guide. All updates are keyed to specific paragraphs in the Practice Guide for detailed reference.

Please refer to the “Update highlights and filing (PDF)” for a more comprehensive summary of the most significant developments in this edition.