

ATTACHMENT A

Proposed Rule Authorizing the State Bar to Charge a Processing Fee for the Use of a Credit Card, Debit Card, or Electronic Funds Transfer

Public Comments

| No. | Date | Individual | Comments |
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| 1. | 11-9-16 | Christopher Dort | <p>If the state bar charges me to pay other fees online, I am going to send a handwritten, paper check every time. I will probably also use a re-enforced security envelope soaked in real human saliva on the flap also.</p> <p>I think people are failing to consider the cost of a human dealing with a handwritten piece of paper for payment. Is paper check payment really cheaper for you, or are you failing to consider the real cost of inefficiency?</p> <p>You would be encouraging people to not use the most efficient payment option there is on the planet.</p> <p>Hello! Don't obstruct natural efficiency. Thank you.</p> |
| 2. | 11-20-16 | Liz Bumer | <p>I am opposed to paying a credit card fee. When I shop, most establishments do not charge a fee that's the cost of doing business. Maybe the bar needs to negotiate a better deal with the credit card company. But I think I should be absorbed by the bar. I think taking checks cost the bar time and money.</p> |

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| 3. | 11-21-16 | Trisha Ananiades | <p>I am writing to voice my opposition to the new proposed Rule 2.18, which would permit the state bar to collect payment processing fees for any credit card payments made. While I understand and can empathize with the additional costs incurred, as far as I can tell from the referenced code section (Business & Professions Code section 6140), the annual membership fee was supposed to be \$315 for 2016. Yet if I recall correctly, and as published on the Cal Bar website, the 2016 membership fee was \$430.</p> <p>As reported by the LA Times, the State Bar of California has "failed to give a transparent view of its finances while its top tier of executives have enjoyed more generous salaries than the governor and attorney general." The accounting practices of the bar came under fire after an audit, with auditors saying that the Bar has violated its own financial control policies and has misclassified funds. I refuse to add more money to a pot overseen with what seems to be at least the appearance of impropriety.</p> <p>Finally, from a practical standpoint, credit cards are a much more convenient system, particularly for those who are not at large law firms. Paying via check is more difficult and leaves more room for lost or misdirected mail, and the potential for members to receive late penalties through no fault of their own. I received a late fee from the Bar during my first year as a member when I was out of the office on maternity leave and my fee statement went to my office instead of my home (and my assistant failed to notify me). I had to swallow that late fee at a hardship to myself and received zero sympathy from the State Bar. Needless to say, I have the same amount of sympathy regarding credit card fees.</p> |
| 4. | 11-17-16 | David Justin Lynch | <p>I am 64 and a retired attorney on a fixed income. I would ask that you please not have this proposed processing fee apply to retired attorneys. In the alternative, the cost to process an electronic check is next to nothing. When I practiced law, we had clients paying check by phone and the cost to process was less than \$1. Perhaps you can charge a fee for credit card payments but not for electronic checks. Another alternative might be postage-paid envelopes, "Business Reply Mail."</p> |

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| 5. | 11-21-16 | Joanne Williamson | Don't charge convenience fees. The State Bar benefits from getting quick access to funds. Don't nick us for processing fees. The annual membership fees are too high as it is, and there's too much waste. Economize elsewhere if you must. |
| 6. | 11-28-16 | Renee Lias | <p>I believe that to have someone process over 100k checks would be cost just as much as credit or debit card processing fees. It will also delay processing of the membership cards.</p> <p>Writing checks is almost nonexistent with online bill paying. A lot of people do not even have checks. So, add the cost of a money order or cashier's checking. Transferring more costs and burden on individual lawyers, many of whom are not in a financial position for yet another costs put on them is unfair. Membership Fees are already expensive and adding more is just unconscionable. We are in between a rock and a hard place.</p> <p>Please keep the current system in place.</p> |
| 7. | 11-29-16 | Michael Garabed | I believe this rule would impose unnecessary costs on members who choose to pay their fees via credit card and lead to decreased contributions to bar-related entities that are not funded by annual fees. Moreover, charging a fee for the use of a debit card or electronic funds transfer seems inequitable as the average processing fee associated with those methods is negligible. |

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| 8. | 11-29-16 | Dr. Daniel L. Flamm, Esq. | <p>Membership is already *very* expensive. While the Bar is arguably necessary and beneficial, Bar fees may reasonably be viewed as a "tax" on California attorneys to support the Bar and its staff. In the world today, it is almost necessary to transact business and pay bills via the internet. Credit cards have become essential infrastructure in this process.</p> <p>The Bar should cover any processing costs as a cost of doing the business of taxing its members. It is a small cost relative to fees revenue. Before the internet and credit cards, the Bar expended money, staff time and effort for mailing notices, and receiving, recording, and depositing paper checks. I assume that internet credit card payments likely save costs by comparison to prior collection modality.</p> <p>A fee paying member might reasonably hope that one goal of the Bar is to make things easy, simple, and as inexpensive as possible for members in good standing. It seems as if the proposed change would have an opposite effect.</p> |
| 9. | 11-29-16 | Wayne Smith | <p>Will there be a fee for sending in this comment? If so ignore it.</p> <p>Suppose every member sent in a check. Then the Bar would be paying additional costs for staff, facilities and equipment. So what's next - pay a fee fir using a check?</p> <p>If you are looking for comment, would it help to share with your members what budget costs may be incurred for handling checks, and what is actually being incurred to accept electronic payments. This would help in a member review of the proposal.</p> |

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| 10. | 12-2-16 | Glenn K. Pohl | <p>I oppose the State Bar of California from passing credit card fees to the members who choose to use. The bar omitted the difference in the time it receives payment from the 35 % of members who pay via credit cards and those who pay my other means which I suspect is closer to the February 1, filing date. Therefore, if most members pay two or three months in advance for tax or other accounting purposes, the bar has access to a significant amount of funding that presumably receives interest. Moreover, it has access to money for use earlier in the year which should facilitate the State Bar Budget and planning re same.</p> <p>As I recall it is these sort of nickel and dime increases that created tension between the bar and its members years ago.</p> |
| 11. | 12-2-16 | Terence W. Roberts | <p>If this rule is implemented, I will stop electronic dues and make the Bar send my dues statement by USPS mail.</p> <p>Where's the savings?</p> |
| 12. | 12-2-16 | Rachel K. Ehrlich | <p>To preface my comment, I think it is fine for the Bar to have it cost members more to pay using a credit card in order to cover the processing fees.</p> <p>I believe that Federal law prohibits charging more for using a credit card or even passing the fees along. The solution is to have the base price include the credit card processing fees and then to offer a discount for cash/check payments. I just wouldn't want the Bar to implement a cost saving measure only to find itself paying for violations of finance law.</p> <p>It would be very nice if the Bar were to offer a discount for ACH as there are usually significant admin cost savings when ACH is used.</p> <p>Thanks for allowing public comment.</p> |

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| 13. | 12-2-16 | Alan H. Sarkisian | The State Bar should not charge its members credit card fees. Credit card charges allow the State Bar to receive payments sooner and more efficiently with less collection issues. These factors should more than outweigh any vendor charges in an efficiently run organization with the economies of scale resulting from thousands of members. |