



The State Bar of California

OPEN SESSION

AGENDA ITEM

54-112 NOVEMBER 2020

BOARD EXECUTIVE COMMITTEE II.B

DATE: November 19, 2020

TO: Members, Board Executive Committee
Members, Board of Trustees

FROM: Brandon Stallings, Appointments Liaison
Christine Gonong, Appointments Liaison

SUBJECT: Annual Recommendation for Appointment of Legal Services Trust Fund
Commissioner and Officers

EXECUTIVE SUMMARY

In July 2020, the Board of Trustees filled three of four vacancies on the Legal Services Trust Fund Commission (LSTFC) for the 2020 to 2021 term. This agenda item presents the Appointment Liaisons' recommendation to appoint Jeffrey Ball as a public member to fill the last remaining vacancy. In July, the Board of Trustees also appointed a chair and vice-chair for the LSTFC. Due to an increase in workload and the need for additional planning and coordination, the Appointment Liaisons recommend expanding officers of the Commission by having two co-chairs and two co-vice-chairs.

For more information about this item, please contact Director of the Office of Access & Inclusion, Andrea Fitanides at andrea.fitanides@calbar.ca.gov or 415-538-2249, or Program Supervisor, Doan Nguyen at doan.nguyen@calbar.ca.gov or 415-538-2545.

BACKGROUND

Functions of the Commission

The LSTFC was established by the Board of Trustees in 1982 to administer revenue from the

Interest on Lawyers' Trust Accounts (IOLTA) and other funds "remitted to the Legal Services Trust Fund Program of the State Bar."¹ Grants from these funds are made to approximately 100 qualified legal services projects and support centers each year. These organizations provide free civil legal aid in California to indigent persons, or support services to the organizations that directly serve indigent persons.²

The Board has delegated three primary duties to the LSTFC:

1. The LSTFC must determine an applicant's eligibility for grants and notify each grant applicant that its application has been approved or denied.³
2. The LSTFC must monitor and evaluate a recipient's compliance with Trust Fund requirements and grant terms.⁴
3. The LSTFC may terminate a grant for noncompliance or require a grant recipient to take corrective action.⁵

The LSTFC fulfills its duties to oversee grant distribution and recipient compliance primarily through committee work. The five primary committees are described below:

1. **The Eligibility and Budget Review Committee** is charged with responsibility for reviewing annual IOLTA and Equal Access Fund (EAF) applications from nonprofit organizations. All eligibility questions are discussed by the committee and staff, and when eligibility is unclear, committee members may request in-person eligibility conferences with applicants. Committee recommendations for eligibility are reported to the LSTFC, which takes formal action to approve or deny eligibility. Additionally, this committee is responsible for reviewing and approving proposed budgets submitted by eligible programs for their utilization of IOLTA and EAF grants. The committee has responsibility for determining that budgets conform to statutory requirements and regulatory rules governing the use of these funds. This committee is also charged with the responsibility of reviewing cases in which a grantee's funding may be terminated because of their failure to comply with relevant legal standards and authorities.
2. **The Partnership Grants Committee** is charged with administering funds set aside for the Partnership Grants program. Funded as part of the annual State Budget with 10 percent of

¹ Title 3, Division 5, Chapter 2, Article 1, Rule 3.660, Rules of the State Bar.

² Per Business & Professions Code section 6213(d), indigent includes a person: (1) whose income is not higher than 125 percent of the federal poverty threshold, or (2) eligible for Supplemental Security Income or free services under the Older Americans Act (seniors 60+) or Developmentally Disabled Assistance Act.

³ Title 3, Division 5, Chapter 2, Article 1, Rule 3.661(A), Rules of the State Bar.

⁴ Title 3, Division 5, Chapter 2, Article 1, Rule 3.661(B), Rules of the State Bar.

⁵ Title 3, Division 5, Chapter 2, Article 1, Rule 3.661(D), Rules of the State Bar.

EAF monies, Partnership Grants are used to support joint projects of court and legal services projects to provide services to indigent self-represented litigants. These grants are discretionary, both in terms of the programs that receive funding as well as the amounts of funding to be allocated to each successful applicant. Committee recommendations are presented to the full Commission for approval, and these recommendations are then reported to the Judicial Council, which has the final authority to approve these grants.

3. **The Bank Grants Committee** administers funds received from legal settlements with the U.S. Department of Justice, Bank of America, and Citi. The funds are to be used for foreclosure prevention legal assistance and for community redevelopment legal assistance. The committee crafts recommendations regarding parameters for grant eligibility, the amounts available for distribution, funding criteria and priorities, and grant periods. These recommendations require approval from the LSTFC and Board of Trustees.
4. **The Homelessness Prevention Grants Committee** is charged with administering \$31 million for legal services for homelessness prevention from the National Mortgage Settlement fund. By statute, 75 percent of the funds are to be distributed through a modified IOLTA formula and the other 25 percent through a competitive grant process to IOLTA-funded organizations. Grants fund eviction defense or other tenant defense assistance in landlord-tenant rental disputes.
5. **The Rules Committee** has been charged with developing a process to codify the decision points and considerations used by State Bar staff and the LSTFC in the administration of grants to legal services organizations. The purpose of this endeavor is to ensure transparency, consistency, and accountability in the grant-making process.

Size of the Commission

The LSTFC consists of 21 voting members, and three nonvoting judicial advisors. The Board appoints 14 of the 21 voting members, 10 of whom must be licensees of the State Bar and four of whom must be public members. As chair of the Judicial Council, the Chief Justice appoints seven of the 21 voting members, five of whom must be licensees of the State Bar and two of whom must be public members, as well as the three nonvoting judges, one of whom must be an appellate justice. Two of the public members (whether appointed by the State Bar or the Judicial Council) must be or have been indigent persons within five years of appointment (known as client-eligible) as defined by Business and Professions Code section 6213(d). Historically, client-eligible appointments have been appointed by the State Bar. In addition, the Board appoints officers of the LSTFC.

DISCUSSION

Introduction and Summary

There is one vacancy for a public member position, and we reviewed one application for the position.

The chair and vice-chair positions are currently filled by Banafsheh Akhlaghi and Eric Isken respectively. With the Federal Funds Rate dropping to near zero earlier this year and the addition of other sources of funding, the workload for the LSTFC has increased. Various Commissioners have expressed a desire to increase the numbers of officers to assist with strategic planning and coordination, and to build a pipeline for leadership in future years. Eric Isken submitted a statement of interest to become co-chair, and two statements of interests were received for the vice-chair position.

Officers will have a one-year term and the new Commissioner will have a four-year term starting in November. Technically, the current State Bar rule 3.662 for the LSTFC states that the Board may appoint Commissioners for up to two three-year terms, however this rule has not yet been updated to reflect the global recommendations for standardizing across all subentities. Due to other pressing priorities at the State Bar, the proposed rule change will be brought to the Board at an upcoming meeting in 2021. Similar to earlier this year, we recommend that the current appointment be for one four-year term.

If accepted by the Board Executive Committee and the Board of Trustees, our recommendations will provide a Commission with a strong background in banking and financial institutions, understanding of legal aid for indigent clients, and knowledge of grant-making processes and procedures. Although there was the only one application received for the vacant position, we believe strongly that this applicant would have risen to the top even if there were scores of applications to sift through.

Recommendation for Filling One Remaining Vacant Position

After review of the application, and receiving feedback from staff, we recommend Jeffrey Ball to be appointed to the public member position.

- **Public Member Applicant: Jeffrey Ball, Whittier, CA**

Mr. Ball has extensive banking and finance experience and has held high profile positions at various financial institutions throughout California, and in Orange County specifically. Mr. Ball is the Founder of Friendly Hills Bank where he currently serves as

President and Chief Executive Officer. Prior to opening Friendly Hills Bank, he held several officer positions with Bank of America Corporation with a focus on commercial and investment banking. Mr. Ball is a Past Chairman of the California Bankers Association, Past President of the Whittier Host Lions Club, and current Chairman of the Whittier Union High School District Foundation. He currently serves on the Board of Directors for Friendly Hills Bank, the Federal Home Loan Bank of San Francisco, the Western Bankers Association, and Data Center, Inc., which is a bank technology company based in Kansas. Mr. Ball is also a member of the Government Relations Administrative Committee for the American Bankers Association, and he previously served as a board member for the Orange County Business Council, Junior Achievement of Orange County, and the Whittier Area Chamber of Commerce. In addition, Mr. Ball served on the School Site Council for Brywood Elementary School in Irvine, and on the Local Oversight Board for the Albert Einstein Academy in Huntington Beach.

Mr. Ball served on the Legal Services Trust Fund Commission from 2009 to 2013 and co-chaired the Commission from 2012 to 2013.

Recommendation for Officer Positions

We recommend the appointment of Eric Isken as Co-Chair, and Kim Savage and Richard Reinis as co-vice-chairs of the LSTFC.

As mentioned above, Mr. Isken is currently the vice-chair of the LSTFC. The Board appointed Mr. Isken to the LSTFC in 2017. Mr. Isken has served as chair of the Eligibility and Budget Review Committee for the past two years. He also serves on the Homelessness Prevention Grants Committee and has previously been a member of the Partnership Grants Committee. Mr. Isken was admitted to practice law in 1977 and retired from his position as Assistant General Counsel/Chief Litigation Attorney at Southern California Edison Company in 2018. Mr. Isken also handles pro bono cases regularly, including in the areas of adoptions and benefits through Public Counsel and guardianship and Special Juvenile Immigrant Status through Bet Tzedek.

Ms. Savage has been on the LSTFC since 2012 and has served as chair of the Bank Grants Committee for the past two years. She also serves on the Eligibility and Budget Review Committee, Homelessness Prevention Grants Committee, and Rules Committee. Ms. Savage has been practicing law for over 30 years, previously working in both the private sector and various legal aid organizations. Her legal experience includes representing a wide range of housing developers and providers, conducting housing studies, developing policy for state and local government, and litigating in federal and state court. Ms. Savage is thoughtful in her approach and dedicated to work of the LSTFC.

Mr. Reinis has been on the LSTFC since 2012 and served on various subcommittees over the years, including the Eligibility and Budget Review Committee, Bank Grants Committee, and the

Homelessness Prevention Grants Committee. Mr. Reinis also co-chaired the Legal Services Trust Fund Stakeholder Working Group from 2018 to 2019. Mr. Reinis is a partner at Thomas Coburn LLP, where he practices business litigation. He has more than 36 years of experience in grantmaking, including at the Max H. Gluck Foundation and the State Bar Foundation Board. Mr. Reinis has participated in a variety of difficult and complex deliberations, including Eligibility Review Conferences and monitoring site visits to grantees with compliance issues.

We strongly support the appointment of Mr. Isken as co-chair, and Ms. Savage and Mr. Reinis as co-vice-chairs. Having two officers from Northern California and two officers from Southern California will further solidify the geographic diversity and, once Commission meetings resume in person, will lead to more effective meeting facilitation. There is also a need for greater Commission engagement at the executive level given the challenges brought on by the COVID-19 pandemic and ensuing economic recession. A robust slate of officers will more effectively distribute the heavy workload and enable thorough long- and short-term strategic planning. Mr. Isken, Ms. Savage, and Mr. Reinis have extensive experience in executive leadership positions, and we have confidence that they will be able to steer difficult conversations while ensuring fair and consistent decision-making. Now more than ever, a strong and experienced leadership team is essential to help the LSTFC and legal aid community navigate through these trying times.

FISCAL/PERSONNEL IMPACT

None

AMENDMENTS TO RULES OF THE STATE BAR

None

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

None

STRATEGIC PLAN GOALS & OBJECTIVES

Goal: None - compliance

RECOMMENDATIONS

Should the Board Executive Committee concur in the proposed action, passage of the following resolution is recommended:

RESOLVED, that the Board Executive Committee recommends that the Board of Trustees approves the appointment of Jeffrey Ball as a public member for one four-year term commencing at the close of the November 2020 meeting of the Board of Trustees

and ending at the close of the September 2024 meeting of the Board of Trustees; and it is

FURTHER RESOLVED, that the Board Executive Committee recommends that the Board of Trustees approves the appointment of Eric Isken as co-chair, and Kim Savage and Richard Reinis as co-vice-chairs of the Legal Services Trust Fund Commission for one-year terms commencing at the close of the November 2020 meeting of the Board of Trustees and ending at the close of the September 2021 meeting of the Board of Trustees.

Should the Board of Trustees concur in the proposed action, passage of the following resolution is recommended:

RESOLVED, that the Board of Trustees, upon recommendation of the Board Executive Committee, approves the appointment of Jeffrey Ball as a public member for one four-year term commencing at the close of the November 2020 meeting of the Board of Trustees and ending at the close of the September 2024 meeting of the Board of Trustees; and it is

FURTHER RESOLVED, that the Board of Trustees, upon recommendation of the Board Executive Committee, approves the appointment of Eric Isken as co-chair, and Kim Savage and Richard Reinis as co-vice-chairs of the Legal Services Trust Fund Commission for one-year terms commencing at the close of the November 2020 meeting of the Board of Trustees and ending at the close of the September 2021 meeting of the Board of Trustees.

ATTACHMENT(S) LIST

- A.** Roster of the Legal Services Trust Fund Commission



The State Bar of California

OFFICE OF ACCESS & INCLUSION

Roster of the Legal Services Trust Fund Commission

Name	Appointed By	Role	Term End	Location
Banafsheh Akhlaghi	Judicial Council	Attorney	2022	San Francisco
Kim Bartleson	Judicial Council	Public	2021	Eureka
Louise Bayles-Fightmaster	Judicial Council	Attorney	2021	Sonoma
Herman DeBose	Judicial Council	Public	2021	Los Angeles
Rebecca Delfino	Judicial Council	Attorney	2021	Los Angeles
Corey Friedman	Judicial Council	Attorney	2021	San Francisco
Debra Meyers	Judicial Council	Attorney	2022	Claremont
Judge Lisa Jaskol	Judicial Council	Advisory	2021	Los Angeles
Justice William Murray	Judicial Council	Advisory	2022	Sacramento
Judge Brad Seligman	Judicial Council	Advisory	2021	Hayward
Amin Al-Sarraf	State Bar	Attorney	2024	Los Angeles
Pamela Bennett	State Bar	Public	2022	Los Angeles
Catherine Blakemore	State Bar	Attorney	2022	Sacramento
Will Boschelli	State Bar	Public	2023	Los Angeles
Erica Connolly	State Bar	Attorney	2022	San Francisco
Eric Isken	State Bar	Attorney	2024	Los Angeles
Zahirah Mann	State Bar	Attorney	2023	Los Angeles
Jim Meeker	State Bar	Attorney	2023	Orange County
Bob Planthold	State Bar	Public	2023	Oakland
Richard Reinis	State Bar	Attorney	2022	Los Angeles
Kim Savage	State Bar	Attorney	2022	Berkeley/Los Angeles
Christian Schreiber	State Bar	Attorney	2023	San Francisco
Christina Vanarelli	State Bar	Attorney	2022	Ventura
Potential Appointment				
Jeffrey Ball	State Bar	Public	2024	Los Angeles