



The State Bar *of California*

**OPEN SESSION
AGENDA ITEM
54-142 MAY 2021
FINANCE COMMITTEE II.A**

DATE: May 13, 2021

TO: Members, Finance Committee
Members, Board of Trustees

FROM: Juan De La Cruz, Sonia Delen, Ruben Duran, Board of Trustees

SUBJECT: Licensee Requests for Adjustment of Fees, Penalties, and Charges

EXECUTIVE SUMMARY

Licensees may request adjustments to their license fees and penalties. Staff are empowered to approve or deny requests based on certain factors delineated in the rules. Title Two, Rule 2.16 (H) of the Rules of the State Bar states that the Board reserves the right for good cause to grant requests for waivers that were denied by staff and to consider all other requests for waivers outside the scope of staff's authority. Each year, staff convene an informal working group of Board members to assist in developing the recommendations on such requests. This agenda item identifies which licensee requests the working group has determined to have good cause to recommend fee adjustments and which the group recommends denying

Board members with questions or concerns may contact Dina DiLoreto, 415-538-2121 or dina.diloreto@calbar.ca.gov

BACKGROUND

Rule 2.16 of Title Two of the Rules of the State Bar authorizes the waiver of annual license fees and penalties in defined circumstances. Rule 2.16 (C) specifies three circumstances where staff may grant a licensee's request for waiver of up to \$1,000 in annual licensing fees and penalties for the year in which they are due: (1) the licensee serves full-time as a magistrate, commissioner, or referee for a state or federal court of record; (2) the licensee is a retired judge who accepts assignments from the Chief Justice in the assigned judges' program; or (3) the

licensee's total gross annual household income from all sources is \$20,000 or less, in which case the waiver is 50 percent of the annual license fees.

Rule 2.16 (D)–(G) also allow staff to grant waivers for licensees serving in the National Guard or in one of the military reserve units for at least 30 days, judicial officers who are leaving office, inactive licensees over 70 years of age, and licensees enrolled in the State Bar of California Pro Bono Practice Program.

Rule 2.16 (H) reserves to the Board of Trustees the authority, for good cause: (1) to grant requests for waivers denied by staff; and (2) to consider requests that fall outside of staff's authorization for granting a waiver of fees and penalties. Traditionally, a small group of Board members volunteer to meet with staff, review the waiver requests that come under rule 2.16 (H) and then make recommendations to the appropriate Board committee and the Board of Trustees on whether good cause is present to grant the waiver requests. After confirming with the chair of the Finance Committee that this structure for consideration of waiver requests remained acceptable, staff secured Trustees Sonia Delen, Juan De La Cruz, and Ruben Duran, as the Board volunteers. All three Trustees have served in this capacity in prior years.

In assessing what constitutes good cause for purposes of determining whether or not the Board of Trustees should grant a fee waiver, the licensee's justifications for a fee waiver should be weighed against the public policy reasons for imposing annual license fees. The primary public policy reason for imposing State Bar license fees is to provide funding for an effective attorney regulatory system that protects the public. The system is funded solely through the imposition and collection of annual fees. For this reason, license fee waivers should not be granted as a matter of course, but rather should be limited to extraordinary, compelling, and exigent situations.

DISCUSSION

The following table lists all 18 requests for waivers considered by the informal working group, along with the recommendations of the group to grant or deny the request. The 18 waiver requests fall into two categories: (1) requests that are outside staff's authority to grant because they exceed \$1,000 or do not meet the parameters of rule 2.16 (C); and (2) appeals of requests within staff's authority to consider, but which staff denied. The working group's recommendations are based on their review of the full request and supporting information provided by the requesting attorney. For the Finance Committee and the Board of Trustees, the following table summarizes the requests only at a high level. The table is organized to first list those waiver requests recommended for approval by the informal working group, then to list those waiver requests recommended for partial approval, and finally to list those recommended for denial.

#	Name	Bar #/Admission Year	Status	Request/Comments	Working Group Recommendations
1.	Robert Katchen	147438/1990	Inactive	Attorney has a current balance of \$212.40. Attorney requests a waiver of the 2021 license fees. Attorney's request is based on financial and medical hardship.	Granted
2.	Landers Niven	268805/2010	Active	Attorney has a current balance of \$615.00. Attorney requests a waiver of the 2021 license fees and/or penalty. Attorney's request is based on financial hardship.	Granted
3.	Sean Stephens	149690/1990	Active	Request is made by the attorney's wife, on the attorney's behalf. Attorney has a current balance of \$813.00. Attorney requests the inactive license fee for the year and waiver of the late payment penalty. Attorney's request is based on medical hardship.	Granted
4.	June Teecher	22119/1951	Active	Attorney has a current balance of \$1,269.50. Attorney requests waiver of the current balance. Attorney's request is based on financial hardship.	Granted Partial – 50% of current balance
5.	Elizabeth Quach	322694/2018	Active	Attorney has no current balance. Attorney requests waiver of the 2021 license fees. Attorney's request is based on financial hardship.	Denied
6.	Jade Smith	306461/2015	Active	Attorney has a current balance of \$482.50.	Denied

#	Name	Bar #/Admission Year	Status	Request/Comments	Working Group Recommendations
				Attorney requests waiver of the current balance. Attorney's request is based on financial and medical hardship.	
7.	Julie Unmacht	191023/1997	Inactive	Attorney has no current balance. Attorney requests waiver of the 2021 license fees. Attorney's request is based on financial hardship.	Denied
8.	Shannon Whisenant	181344/1996	Inactive	Attorney has no current balance. Attorney requests a full or partial refund of fees paid to reinstate license status this year. Request is based on claim that the attorney is not practicing law in California.	Denied
9.	Edward Damon	55566/1973	Active	Attorney has a current balance of \$615.00. Attorney requests waiver of the current balance. Attorney's request is based on financial and medical hardship.	Denied
10	Julie Orr	198749/1998	Not Eligible	Attorney has a current balance of \$10,012.25. Attorney requests reduction or waiver of the current balance. Attorney's request is based on financial hardship.	Denied
11	Audrey Israel	146836/1990	Active	Attorney has no current balance. Attorney requests the scaled rate for the 2021 license fees	Denied

#	Name	Bar #/Admission Year	Status	Request/Comments	Working Group Recommendations
				and waiver of the late payment penalty. Request is based on family hardship and claim that the attorney did not receive notice that license fees were due.	
12	Liliana Coronado	223720/2002	Active	Attorney has a current balance of \$615.00. Attorney requests waiver of the late payment penalty. Attorney's request is based on hardships related to COVID-19.	Denied
13	Art Fields	45137/1970	Inactive	Attorney has a current balance of \$615.00. Attorney requests waiver or reduction of the current balance. Request is based on claim that the attorney did not receive notice that license fees were due and hasn't worked as an attorney this year.	Denied
14	Lyle Medved	207416/2000	Inactive	Attorney has no current balance. Attorney requests waiver of the late payment penalty. Request is based on claim that the attorney did not receive notice that license fees were due.	Denied
15	Isabel De Sio Perez	79953/1978	Active	Attorney has a current balance of \$615.00. Attorney requests waiver of the late payment penalty and late fee scaling. Request is based on financial hardship and claim that the attorney	Denied

#	Name	Bar #/Admission Year	Status	Request/Comments	Working Group Recommendations
				did not receive notice that license fees were due.	
16	DeAnne H. Ozaki	156094/1991	Inactive	Attorney has a current balance of \$212.40. Attorney requests waiver of the late payment penalty. Request is based on circumstances related to COVID-19 and claim that the attorney did not receive notice that license fees were due.	Denied
17	David Morris Vogelstein	73030/1976	Active	Attorney has a current balance of \$615.00. Attorney requests waiver of the late payment penalty. Attorney's request is based on circumstances related to COVID-19.	Denied
18	Susan Marcus	163525/1992	Not Eligible to Practice	Attorney has a current balance of \$998.00. Attorney requests waiver of the current balance. Attorney's request is based on financial and medical hardship.	Denied

FISCAL/PERSONNEL IMPACT

This item contains four recommendations for a waiver or adjustment of fees for a total financial impact of \$1,894.75. If the recommended adjustments are approved, the year-to-date fiscal impact will be \$1,894.75.

AMENDMENTS TO RULES OF THE STATE BAR

None

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

None

STRATEGIC PLAN GOALS & OBJECTIVES

None – core business operations

RECOMMENDATIONS

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

RESOLVED, that the Finance Committee recommends that the Board of Trustees approves the fee adjustments for the State Bar licensees as presented this day, and on file in the San Francisco office of the State Bar.

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 Finance Committee, approves the fee adjustments for the State Bar licensees as presented this day, and on file in the San Francisco office of the State Bar.

ATTACHMENT(S) LIST

None