

The comments included in Table 1 on the following pages were received via email after the message below was sent by the Los Angeles County Bar Association to its membership. Additional written comments are provided after Table 1.

Dear Members:

Further to the Call to Action issued to all Los Angeles County Bar Association members in April 2021, LACBA is deeply concerned by the recent vote of the California State Bar's Paraprofessionals Program Working Group (PPWG). On August 16, by a vote of nine to five, the PPWG approved for presentation to the State Bar's Board of Trustees a new rule of professional conduct for non-lawyer paraprofessionals that would allow such persons to own a substantial minority equity interest—up to 49 percent—of a law firm.

The proposed rule contravenes existing Rule 5.4 of the California Rules of Professional Conduct—for attorneys—which expressly prohibits a lawyer from forming a partnership, corporation, or other organization with a non-attorney for the purpose of practicing law. (Cal. Rules Prof. Cond., rule 5.4(b), (d).) That rule also bars a lawyer from sharing legal fees directly or indirectly with persons who are not lawyers. (*Id.*, subd. (a).) This rule is designed to protect the integrity of the attorney-client relationship, to prevent lay persons from exercising control over an attorney's professional judgment and services, and to ensure that in rendering legal services, the client's best interests remain paramount. (*Gassman v. State Bar* (1976) 18 Cal.3d 125, 132; Los Angeles County Bar Assn., Formal Opinion No. 510 (2003).)

This proposed rule change and a number of other new rules relating to the practice of law by non-attorney paraprofessionals will be presented to the State Bar's Board of Trustees at its September 23-24 meeting and published for public comment. We urge all LACBA members to voice their concerns about these proposals, which threaten to harm California consumers and undermine the administration of justice. Comments from LACBA members on the proposed rule changes should be directed to the State Bar. Linda Katz (linda.katz@calbar.ca.gov) is the State Bar staff contact for the PPWG.

Sincerely,

Brad Pauley
LACBA President

Table 1. Comments Received via Email

Date Received	Name	Comments Received via Email
8/20/2021	Paul Eisner	<p>Law is a profession, not a business. Non lawyers should not be partners with attorneys In the practice of law. Allowing nonlawyer to own part of a law practice could turn the practice of law from a profession to a business.</p> <p>The proposed rule change to allow nonlawyers to an interest in a lawfirm should not be adopted.</p>
8/20/2021	Eli Melamed	<p>I am in my 7th year of practice as a solo practitioner, and have been working hard for years to develop my skills as a lawyer, and build a practice I can be proud of and benefit from. I am extremely concerned and discouraged by the Paraprofessionals Program Working Group's vote to present a new rule to the Board of Trustees concerning ownership of law firms by non-lawyer paraprofessionals.</p> <p>The proposed new rule raises obvious and serious concerns regarding protecting the integrity of the attorney-client relationship, preventing non-lawyers from exercising control or influence over a lawyer's professional judgment and services, and ensuring all actions and decisions are in a client's best interest. In addition to these concerns, however, are concerns of my own, shared by dozens of other lawyers I have spoken to about this matter, about how this proposed rule will affect us, our practices, and our livelihoods.</p> <p>If this rule is passed, there will likely be a number of undesirable outcomes, many of which are plainly foreseeable.</p> <p>First, and most importantly, with non-lawyers being entitled to potentially perform legal services, it is likely that the overall quality of services performed will decrease significantly. There must be, after all, a reason that lawyers go through 3 years of law school and have to take the bar exam. If these steps are not necessary for one to render competent legal services and representation, then the entire framework of the State Bar is a sham and a fraud perpetrated on tens of thousands, if not millions of people.</p> <p>Second, the sudden influx of thousands of non-lawyers into the market for legal services will confuse consumers and likely create an environment under which people are overcharged for lower quality services by non-lawyers, while actual competent lawyers lose business because they can't compete economically with these non-lawyer dominant firms. If anything, this will have the effect of creating a market consisting primarily (or almost entirely) of low quality, lower cost pool of services and high cost services, favorable to big firms, and will squeeze solos and small firms out of business (particularly considering the overhead needed to run a small-medium firm). Driving lawyers out of business is not a way to expand access to quality legal services and justice.</p> <p>Third, implementing such a rule is likely to see a significant decrease in the number of active lawyers and future lawyers. Lawyers are not stupid. Spending hundreds of thousands of dollars and 3+ years of one's life is a good risk if there is a</p>

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		<p>reasonable opportunity to benefit significantly, but, in view of the two prior points above, I imagine a significant number of active lawyers and potential future lawyers will weigh the costs and benefits and decide against practicing or even pursuing a legal career. This will, in the long term, lead to further decreases in availability of quality legal services and, as discussed above, place consumers in a situation where they either pay for lower-quality representation or are forced to pay extreme sums for big firms to represent them. Any reasonable person should agree that this runs counter to the intent of the proposed rule change.</p> <p>For the foregoing reasons, I strongly oppose the implementation of the proposed rule.</p> <p>However, I agree with the State Bar's overall intention, as it relates to expanding access to lower-cost services and justice for the underserved, and I hereby propose the following as an alternative to the contemplated new rule:</p> <ul style="list-style-type: none"> - No ownership of law firms by non-lawyers; - Certified paralegals who are employed by a firm should be entitled to an internal fee-splitting arrangement with their supervising lawyers with respect to clients they bring to the firm; - Non-lawyers who are certified paralegals should be entitled to perform certain legal services, subject to oversight by a licensed attorney, provided, however, that those services are limited to those services most commonly sought by those lacking access to justice and legal resources (i.e., representation for traffic matters, misdemeanors or even mere citations, limited family matters, etc.), the scope of which can be determined later; and - an obligation of any non-lawyer to provide no less than 10 hours of pro-bono services annually. <p>I believe the foregoing proposal is a good starting place to expand access to services and justice without marginalizing lawyers and dis-incentivizing the practice of law. I stand prepared to further discuss the foregoing with you and the Paraprofessionals Program Working Group in order to achieve better outcomes which will, quite frankly, not alienate a significant portion (if not a majority) of the lawyers in the State of California.</p>
8/20/2021	Debra Korduner	<p>We should not have the legal profession or the sanctity of the lawyer-client relationship "diluted" and if you allow non-lawyer paraprofessionals to become owners, what is next, just non-lawyers? I also don't see why a paraprofessional would want or need to own an interest in a law firm. It seems it could be opening the door for those people to be doing more than they should as far as providing legal services. If a law firm wants to hire a non-lawyer paraprofessional and properly supervise him or her and pay him or her well, that is fine, but a non-lawyer should not be an owner of a law firm.</p>
8/20/2021	Robert A. Cohen	<p>I just received notification from the LA County Bar Association that there is a proposed change to the Rules of Professional Conduct that would permit non-lawyers paraprofessionals to own a substantial minority equity interest in a law firm. I think that this new proposed rule is preposterous and should be rejected along with all of the other proposed rules that would allow non-attorney paraprofessionals to practice law. I allow non-attorney paraprofessionals to practice law undermines the</p>

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		<p>integrity of the practice, the honor and discipline of the members of the Bar, and, more importantly, the level of expertise and education that members of the Bar bring to every client they service.</p>
8/20/2021	Andrew J. Thomas	<p>I am writing this email concerning the proposed changes to the Rules of Professional Conduct concerning paraprofessionals and the proposal to allow paraprofessional non-lawyers to own up to 49% of a law firm. My personal opinion is that the proposed changes would harm the legal profession and harm consumers of legal services.</p> <p>Regardless of how lofty sounding or well intentioned the proposed changes are in the abstract, in the real world they would result in abuses.</p> <p>For example, my entire 30-year career I have seen paralegals blur the distinction between practicing and not practicing law. Whether through online advertising or word of mouth, paraprofessionals seek out consumers as clients and do much more than fill out legal forms for them. They provide what can only be called legal advice. Also, they sometimes take cases from inception through trial (particularly in unlawful detainer cases) by not only assisting clients with forms, but in ghost writing motions and in preparing trial briefs, trial exhibits, and writing trial witness examinations for pro per clients to use in court. Sometimes they even go to court with “clients” and offer advice on what to say. Many times, the documents they prepare have no basis in law given the facts of the case and accomplish little more than causing delays. Another area replete with problems is estate planning. Paralegals sometimes use “one size fits all” forms to draft wills and trusts that do not take into account a particular client’s situation. I am sure trauma and operating room nurses have seen and assisted in many surgeries, but I doubt anyone wants a nurse to operate on them.</p> <p>Turning to the proposal that would allow non-lawyer paraprofessionals to own even a minority interest in law firms, the real world abuses would in all likelihood undermine and damage the integrity of the legal profession and the administration of justice.</p> <p>In all likelihood, a rule allowing paraprofessionals to own a minority interest in law firms will result in legalizing “cappers,” i.e., non-lawyer “paraprofessionals” whose real job is to find clients for law firms in exchange for a share of legal fees that would be disguised as a “minority partner’s profit distribution” from the lawyer or law firm. One might also see well-funded “paraprofessionals” start providing the financing to open a law firm and to advance the costs incurred in funding a contingent fee case. The very notion of a law firm “partnership meeting” that includes non-lawyers who never attended law school, are not fully educated in the fields of professional ethics, the standard of care to practice law, or in the ability to substantively discern between a client’s claim or defense that has merit under statutes and caselaw versus those that do not have merit, would be a very sad day for the legal profession not to mention create the real risk of making the work of judges much harder than it already is. Indeed, allowing non-lawyer paraprofessionals to own an interest in law firms may well result in nonlawyers</p>

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		<p>who have funding and who'd like to get into the business of law for nothing more than a profit motive go out and get their paraprofessional credentials solely for that purpose.</p> <p>For these reasons, and related ones, I strongly object to the proposed changes. Paraprofessionals, similar to how nurses work for doctors, should perform their services at the direction of and under the supervision of lawyers who are ultimately responsible. Under no circumstances should paraprofessionals be allowed into the ranks of law firm partnerships.</p>
8/20/2021	Barbara Kogen	<p>I object to the new rules proposed by the PPWG. They have no business having any ownership interest in any law firm or legal practice. Such ownership threatens harm to California consumers and undermines the administration of justice. These proposed rules MUST BE completely & fully rejected. These paraprofessionals are truly only administrative personnel. I worked hard to pass the Bar & become an attorney. These paraprofessionals have no right whatsoever to enjoy any benefits of law firm ownership.</p>
8/20/2021	Kevin L. Von Tungeln	<p>I am urging the State Bar to reject any rule allowing non-lawyers to own interests in a law firm. Allowing lay persons to own an interest will be allowing non-lawyers to exercise influence and control over an attorney's professional judgment and services. This will result in a serious degradation of the field of law and consumers will be harmed.</p>
8/20/2021	Robert H. Somers	<p>I've been practicing law for more than 50/years and believe strongly in the sanctity of law firms operating as "law firms" by members who are in fact licensed to practice law, which means trained in the law and available to represent clients, or potential clients. A prospective client should not have to guess just who is properly qualified to handle their legal affairs once in the law office. If the paralegals want to open their own "paralegal business" without rendering legal advice, and properly advising the public as to limitations on their services, they should be free to do so, without conducting business as a affiliate or associated with <u>real lawyers</u>. Since when do paralegals get to decide the rules and regulations of our association.</p>
8/20/2021	Keith T. Kirk	<p>The below outlines some serious issues being raised related to certain aspects of the Paraprofessionals Program Working Group's (PPWG) efforts. [Reference is to email sent by LACBA to its membership.]</p> <p>While I support easier access to basic legal services for all, such efforts should not be at the cost of creating conflicts for attorneys, or eliminating or reducing the effectiveness of laws or rules governing the legal profession.</p> <p>The PPWG should be cautious about what rules or laws it strives to change, lest it lead to greater harm to the very people that it is trying to help.</p>
8/20/2021	Jerry Unis	<p>I have retired but strongly oppose this. Talk to a physician re this issue which led to insurance companies making medical decisions for doctors.</p> <p>This is horrible for law. Stop it at all costs unless you want to eliminate doing that which is in the interest of justice or fairness.</p> <p>Please contact me to work with you and the bar.</p>

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8/20/2021	Mike Richter	<p>I received notice that there is a rule proposing non attorneys, non members of the California State Bar should be allowed to own up to 49% interest in a law firm.</p> <p>The concern is that allowing a non-attorney to own part of a law firm directly contradicts the existing Rule 5.4 of the California Rules of Professional Conduct.. I shall quote the concern for you.</p> <p>I have no plans of sharing any of my fees with non-attorneys, but this proposed rule stinks of payola to people who voted in favor of it. How can they support a rule that violates a professional rule of conduct? Are they all non-attorneys who don't have to worry about getting sued by clients when they find out their fees are going to non-attorneys?</p> <p><i>The proposed rule contravenes existing Rule 5.4 of the California Rules of Professional Conduct—for attorneys—which expressly prohibits a lawyer from forming a partnership, corporation, or other organization with a non-attorney for the purpose of practicing law. (Cal. Rules Prof. Cond., rule 5.4(b), (d).) That rule also bars a lawyer from sharing legal fees directly or indirectly with persons who are not lawyers. (Id., subd. (a).) This rule is designed to protect the integrity of the attorney-client relationship, to prevent lay persons from exercising control over an attorney's professional judgment and services, and to ensure that in rendering legal services, the client's best interests remain paramount. (Gassman v. State Bar (1976) 18 Cal.3d 125, 132; Los Angeles County Bar Assn., Formal Opinion No. 510 (2003).)</i></p>
8/20/2021	Annette Morasch	<p>I voice my great opposition to non attorneys practicing law and owning any portion of a lawfirm. It will do the exact OPPOSITE of create justice to the underserved. For instance have four cases against a supposed billion-dollar "nonprofit" for serious habitability and negligence against extremely low income and disabled tenants. It is already difficult to compel these nonprofits and private companies to comply with the law. So what happens when the AIDS Healthcare Foundation, Amazon, or ANY company invests in a law firm? ALL consumers will suffer.</p>
8/21/2021	Juan Dotson	<p>I oppose the proposed rule to allow a non attorney to own up to 49% interest in a law firm. If that rule passes, might as well let attorneys pay non attorneys referral fees.</p> <p>The rule would face less resistance if the ownership maximum was 10% for non lawyers.</p>
8/21/2021	Erin K. Tenner	<p>As I watch professional responsibility becoming less and less important to the makers of the rules governing professional responsibility, I am once again finding myself perplexed by a proposed rule - this one to allow non-lawyers to own up to 49% of a law corporation. If the reasons for the rule not allowing non-lawyers to own an interest in a law corporation are not enough, then imagine this scenario. I am the owner of a law corporation. I have a law corporation in which my husband, who is not a lawyer, is a minority owner. I die. Now my husband, who knows nothing about the law, about trust accounting, and who only cares about making sure the money is moved into accounts not in the law corporation, transfers all the money into his own accounts. Or imagine this scenario, I own a law corporation in which an accountant is a parther (this seems the most</p>

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		<p>obvious direction in which this will go.) My accountant partner is now bringing in business for my law practice and I am bringing in business for his accounting practice. My partner, the accountant, takes a large commission (as accountants often do) on a transaction - let's say \$250,000 (I see this all the time in case you are thinking this is not a likely scenario). It just so happens that it is a transaction I am handling so, because he is a partner, I share indirectly in the commission. It is illegal for my client to pay a commission to my partner, so we call it a "finder's fee." Now it is ok, except for the fact that there is a huge conflict of interest - which is no longer a conflict under the rules because of recent changes. What is the conflict? It is that I am negotiating a deal on which my partner is being paid a fee that we stand to lose if the deal falls through. I could easily rationalize this, as lawyers often do, and say this is not a conflict because now our interests are aligned in making sure the deal gets done - which is not a conflict under the rules. I "think" I can still do a great job for my client, and an even better job than I would do without the incentive, as my client sees it, to get the deal done. However, the reality of negotiations is very different. As a transactional attorney for 30+ years I can tell you that when you are unwilling to stand firm in your positions and instead give and give and give because you are afraid of losing the deal you are far more likely to lose the deal than if you have nothing to lose by holding firm on your position. What attorney will give the correct advice to a client when they could lose over \$100,000 if the deal is killed by the advice? The truth is, the advice that might seem like it could kill a deal is exactly the kind of advice that is often required to keep the deal alive and get it closed. The biggest problem is the client will never know what really killed the deal. I see it all too often already with accountants who are willing to sacrifice one client to serve the best interests of the one who pays them the most when they put clients together to buy and sell auto dealerships and then try to negotiate the deal to justify their exorbitant commissions. They don't even try to call them finders fees because it is only their client who is breaking the law, not them. These are two simple and obvious issues with the proposed rules that I came up with in two minutes without even giving it much thought. I am certain a more thoughtful consideration, which the State Bar owes to our profession, will be given to this rule change before it is passed and creates a whole host of new issues to undermine the credibility of the profession and our members</p>
8/21/2021	Barry Edwards	<p>I am a lawyer in California practicing for almost 50 years. I oppose the proposed changes to the Rule 5.4 of the Professional Code of Ethics because it would adversely affect the sanctity of the attorney client privilege; one of most important aspects of the practice of law. The public must be assured that this privilege remains pure and guaranteed. Furthermore with non-lawyers owning portions of law firms the need to be profitable would outweigh the ethical duty to protect client rights and benefits. Please think seriously about approving the proposed changes because much is at stake for the future of the legal profession and our legal system in its aftermath.</p>
8/21/2021	Jonathan Bakhsheshian	<p>Simply put - "I solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution of the State of California, and that I will faithfully discharge the duties of an attorney and counselor at law to the best of my knowledge and ability."</p>

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		<p>This is the oath taken by ALL licensed attorneys after 4 years of college, the LSATs, 3 years of law school, moot court, trial team, endless all nighters, many sacrifices, passing the bar, and 250k in debt.</p> <p>I've taken this oath to heart since the day I become a lawyer. It has guided me in all my decisions both at work and outside of work. My advocacy for my clients are propelled by this oath.</p> <p>Allowing non-lawyers to take control, even 1%, would make this oath useless if the practice of law is motivated by money instead of passion and zealous advocacy. It would cause bidding wars between attorneys for client, deteriorate zealous advocacy, and cause a destruction in our legal field. There is absolutely no benefit to this proposal.</p> <p>Instead, the State Bar should mandate 20-40 hours a year of public service or Pro Bono for each attorney. That would solve the State Bars concerns for absence of legal representation for those who can't afford it.</p> <p>Do not be the person who destroys our legal community we worked so hard to create. This proposition cannot pass.</p>
8/21/2021	Irwin Monroe	<p>I have been practicing law for over 60 years and have come up against a lot of attorneys who don't know what they are doing. What they do do is cause additional work and cost to the client and in many instances not in the client's best interest. Now you want to add paralegals to the group. When I first became an attorney, the opinion was that one was not worth his/her weight or what the charged until he/she had been practicing for at least 3-5 years. California has a lot of attorneys looking for work (whether a job or as an individual practitioner) and will, in the future, have a lot more.</p> <p>It's my understanding that the program will limit the paralegal to certain areas of the law. If the Bar thinks that the paralegal will do so, it has "its head in the sand". I have already had incidents where the proposed client tells me that the previous advice received was from a paralegal and it was the opposite of what my advice would have been.</p> <p>Don't do it. It will not be in the client's best interest and will harm the consumer.</p>
8/21/2021	Byron J. Abron	<p>I am emailing with deep concern regarding the proposed rule change. There are a number of significant concerns with this potential change. First, it completely undermines the purpose of the rule to assure that attorneys actions are not compromised by non-attorney influences for financial gain. In the wake of everything that has transpired with Tom Girardi, you would think people would have a deep interest in protecting the rights of consumers. If this rule changes there will undoubtedly will be more, and likely significantly worse situations that arise because non-lawyers do not have the same ethic requirements as lawyers. They will be driven solely by profit and will compromise the well being of consumers and their cases for profit.</p> <p>Second, as a minority who grew up in a low income area, I was not fortunate enough to have much assistance to pay for my education. I was forced to accumulate hundreds of thousands of dollars in debt for an opportunity to pursue my dream of</p>

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		owning my own law firm. Despite the many financial hurdles and rigors with becoming an attorney I triumphed. Of course like others it took years of sacrifice and hard work. Allowing those who were not required to take the LSAT, go through a vigorous three years of law school, study for, take and pass the state bar to now become owners of a law firm is nothing less than a slap in the face to the time, money, and sacrifice that I and countless others have spent to be in the position we are in today. I am wholeheartedly against this proposed change.
8/22/2021	Hugh John Gibson	<p>I have been informed that certain proposals are being considered that would result in laymen having a high degree of influence over lawyers handling cases. I strongly oppose any such "reform".</p> <p>It's important to protect the integrity of the attorney-client relationship, to prevent lay persons from exercising control over an attorney's professional judgment and services, and to ensure that in rendering legal services, the client's best interests remain paramount.</p>
8/22/2021	Gregory J. Smith	<p>I understand that on August 16, by a vote of nine to five, the California State Bar's Paraprofessionals Program Working Group approved for presentation to the State Bar's Board of Trustees a new rule of professional conduct for non-lawyer paraprofessionals that would allow such persons to own a substantial minority equity interest—up to 49 percent—of a law firm. This is making further inroads to the status of our profession as being made up of "professionals." I completely oppose this kind of change. I focus on employment law in my practice and I "compete" with businesses who describe themselves as "human resource professionals" who prepare employee handbooks, provide employment law advice, and never get in trouble for practicing law without a license. These purported human resource "professionals" could not hire an attorney into their practice, give the attorney a controlling interest (even though he does no work and does not oversee their work), and that can then call themselves a "law firm."</p> <p>It sounds to me like the California State Bar's Paraprofessionals Program Working Group is biased and did not think this through.</p> <p>Please share my opinions with the Board of Trustees. I hope this proposal is not approved!</p>
8/23/2021	Julie Birkel	<p>I have been a member of the California State Bar since 1984, am active in the Los Angeles County Bar Association, and I am currently on the Board of Trustees of LACBA's Counsel for Justice, which offers free legal services for immigrants, veterans, victims of domestic violence, and those with AIDS/HIV. I am well aware of the need for the underserved to have quality representation, and strongly support members of the Bar filling those needs. I believe the State Bar's plans to open up the practice of law to non-lawyers will directly harm consumers by providing inadequate services for goals other than the client's best interests, and will result in exploitation and a parade of horrors when clients receive inadequate representation.</p> <p>I am accordingly one of the members of the Los Angeles County Bar Association who is deeply concerned by the recent vote of the California State Bar's Paraprofessionals Program Working to present a new rule of professional conduct for non-lawyer</p>

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		paraprofessionals that would allow such persons to own a substantial minority equity interest—up to 49 percent—of a law firm. The proposed rule is a direct assault on the integrity of the attorney-client relationship, and is a threat to the best interests of California’s consumers. Please do not let special interest groups pull the wool over the California State Bar’s eyes.
8/23/2021	Alexandra Leichter	I am thoroughly opposed to nonlawyer involvement in owning portions of law firms, and even more importantly, I am vehemently opposed to nonlawyers providing legal advice to the public. This is one of the worst ideas the Stat Bar has come up with. If you people believe that more of the public will be helped who couldn’t otherwise access legal help financially, you are doing nothing but implementing a pending disaster. Family law, for example, one of the areas in which you are attempting to implement this non-lawyer legal advice idea, is one of the most complex area of law. We as family lawyers must know not only the Family Code, but also the Code of Civil Procedure, not to mention areas of law such as criminal law, probate law, landlord tenant law, ERISA laws, Social security laws, employment law, and a whole host of other legal areas. It is naïve and dangerous for the State Bar to authorize legal representation in Family law by non-lawyers who are not even subject to the authority of the State Bar for discipline. (And, by the way, if you cannot even police members of the bar, such as Tom Girardi, who has damaged a lot of lives, how do you expect to protect the public against the non-lawyer practitioners). Whoever came up with this idea is totally clueless s to what goes on in the practice of law.
8/25/2021	Irving Estrada	I am sending this email to express my stringent objection to any rule that allows for a Non-lawyer paraprofessionals to own a substantial minority equity interest—up to 49 percent—of a law firm. There should be no change to our current California Rules of Professional Conduct—for attorneys—which expressly prohibits a lawyer from forming a partnership. We must maintain the integrity of the attorney-client relationship.
8/29/2021	Jeffrey Rabin	<p>I’m writing to express my objection to the proposed rule that would allow non-lawyer para-professionals to own interests in law firms (I understand the proposal is for up to 49%).</p> <p>I have watched with growing dismay the move to lower the standards of law practice in California. Non-lawyer ownership of law firms, the lowering of the cut score for the bar, and limited license programs, are among these.</p> <p>My concern is that the public will be susceptible to a lot of bad lawyering. California does not lack for lawyers; there are probably 100,000 to 200,000 active lawyers in California. Notwithstanding, I encounter a lot of bad lawyers; lawyers who can’t draft clear agreements, or give bad advice to their clients. We are one of very few states that allows people who attend unaccredited law schools (or no law school) to sit for the bar, so practicing law is not closed to those who cannot get accepted to an accredited law school. Lowering the cut score has already diluted the quality of lawyers available to the public.</p> <p>I have seen many times agreements and wills and trusts drafted non-lawyers (folks who advertise that they don’t write the agreements but provide “assistance” to the client, doing so without being under the supervision of a lawyer). The stuff is terrible, and dangerous to the client. It makes my job harder having to clean up their messes.</p>

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		<p>Folks are not aware of how many affordable options really exist: brokers write hundreds of thousands of real estate purchase agreements (that were prepared by lawyers), escrows prepare deeds, LegalZoom and Nolo provide attorney drafted forms; there are Statutory Will forms promulgated by the State of California. But, once a nonlawyer is approved for drafting agreements that have legal import without being under the supervision of a lawyer, the public is going to be in trouble due to a lot of bad lawyering.</p> <p>I'm 64 years old; I'm in the last lap of my career, whether there are more lawyers, or now, will not affect my practice. I won't be adversely affected by this. I do fear for unleashing a lot of bad lawyering onto the public.</p>
8/30/2021	Lawrence Knapp	<p>I have been following the State Bar Paraprofessionals Working Group's work and recommendations. This is my public comment.</p> <p>There is insufficient data to support the recommendations. Washington's Supreme Court shut down their similar LLLT program just last year, stating: "[A]fter careful consideration of the overall costs of sustaining the program and the small number of interested individuals, a majority of the court determined that the LLLT program is not an effective way to meet these needs, and voted to sunset the program."</p> <p>The money would be better spent on self-help centers, legal aid programs, etc. Why set up an entirely new for-profit business structure with these paraprofessionals, who may do real harm to people, when the State Bar has not adequately considered alternative proposals within their existing authority?</p> <p>Moreover, the Group has ignored the attorneys who represent the consumer and the real concerns of accountability and damage that could be done by paraprofessional's inadequate representation. I oppose this proposal and ask you to reconsider this rash course.</p>
8/30/2021	Spencer J. Pahlke	<p>I write regarding the State Bar Paraprofessionals Working Group, and the consideration it is giving to its Paraprofessionals Proposal.</p> <p>There are a host of problems with the Proposal—including lack of accountability, failure to adequately consider alternatives, and a lack of data to prove it will work—but the greatest problem is that the Proposal is considering a for-profit solution that is an invitation to the corporate practice of law.</p> <p>Consider the host of law-adjacent "services" currently provided by corporations, who are working to maximize shareholder returns, and not according to any code of ethics. They include offers to "fix" a credit history for \$99, offers to negotiate with the IRS on a taxpayers' behalf, and any number of predatory loans that have long targeted the unwary.</p>

Date Received	Name	Comments Received via Email
		Why exactly do we not expect the same behavior—especially in this new green pasture it’s being offered—with this Proposal? I fear you a creating a far larger problem than could ever be solved here.
8/31/2021	Craig Peters	I write to support the comments of those who have spoken against this proposal at today’s meeting. This isn’t a solution that solves the identified problems, but instead acts to erode the protections that are available to those who already have access to justice, while not solving the “underserved” issue. The State Bar has viable potential solutions available to them, but has instead made the curious decision that somehow a profit motive will solve the problem. This will hurt consumers and do nothing to shrink the justice gap. Please change course and look for solutions that solve the identified problem of closing the justice gap, and prevent this unleashing of corporate interests on consumers that are already hurting.
8/31/2021	Michael K. Teiman	<p>I am a licensed attorney in California and am deeply concerned about the new State Bar rules concerning paraprofessionals and allowing non-attorney ownership in law firms.</p> <p>As I am sure that you have been and are being inundated with concerns like mine, I will be brief.</p> <p>In short, other options are better suited to address the needs of a shortage of legal aid. The proposed courses of action will have significant detrimental effects on the practice of law and how it is viewed by the public (while attorneys are certainly respected, they are also portrayed as greedy and uncaring). Diluting the requirements (in particular ethical and legal knowledge) to practice law and injecting a corporate (uncaring, beholden to investors, etc.) mentality and structure into the legal field will not benefit people the State Bar is intending to serve with these changes and will certainly not benefit the profession (which will in turn be detrimental to those in need of legal assistance). As attorneys are seen as part and parcel of the justice system, a long-term (or potential quick) result will be an increasing distrust in that system, which now more than ever needs to be bolstered. Instead of opening the flood gate to less experienced “professionals” and to greedy corporations, the State Bar should (among other things) have a pro se hours requirement for members, provide funding and incentives for high need practice areas, and create and nurture partnerships (e.g., between local bar associations and the communities of need) that can accomplish goals at a grassroots level.</p> <p>Thank you for your time, and please contact me should you wish.</p>

August 30, 2021

Re: CALIFORNIA PARAPROFESSIONAL PROGRAM

To Whom it May Concern:

Allowing non-professionals to practice law, and allowing corporations to own law firms, will inevitably lead to the breach of attorneys' fiduciary duties to their clients.

I have been practicing law for almost seven years, and have represented clients in personal injury and wrongful death cases since the beginning of 2016. If I have learned just one thing in my short career so far, it is this: always put the client first. Allowing a corporation to own (or have an ownership interest in) a law firm will prohibit lawyers from doing that.

As an attorney, I owe all of my clients a fiduciary duty. Employees of corporations, however, owe a fiduciary duty to the shareholders.

How would attorneys balance our fiduciary duties to clients with those of non-lawyer shareholders, when conflicts of interests will arise every day?

These conflicts are avoided now, because all shareholders and partners of law firms are attorneys who understand that their fiduciary and ethical duties are owed to the client, and not their colleagues. That will change, however, as soon as a non-lawyer gains an ownership interest in a law firm.

For example, we often take difficult cases that bear the risk of a defense verdict. We nonetheless take the case because we believe it has merit and that our clients deserve their day in Court as guaranteed by the Seventh Amendment. At times, taking on such a case may appear to be an unwise "business decision." Those cases are still important to take, however, even though we may lose some of them at trial. As attorneys, we are willing to take those matters on and bear the risk ourselves. However, how would we do that if we also owed a fiduciary duty to shareholders?

In difficult cases, we often receive settlement offers that appear to be quite profitable. However, that amount is not acceptable to my clients and they want their day in court. Non-lawyer shareholders may see the settlement offer as being profitable, and certainly a better business decision than going to trial. What am I supposed to do in that scenario? I am ethically prohibited from settling any case without my client's consent, yet I know I will face pressure from corporate shareholders to settle the case. Even if I am able to honor my client's wishes in that case, I know I can expect the corporate shareholders to discourage me from taking similar cases in the future.

We can look at it from the other side too. Assume that we have a strong case and only a modest settlement offer. From a business standpoint, it would appear to make more sense to go to trial if a larger verdict is expected. But reliving the traumatic events by sitting through a long trial may mean the client would rather take the settlement offer, even if they could achieve a better result at trial. What am I supposed to do in that scenario? Try to get my client to turn down an offer just because corporate shareholders can turn a bigger profit by making them sit through a two week jury trial?

These are not just hypothetical situations. I have witnessed clients choose to turn down offers to have their day in court, and I have witnessed clients accept an offer to put the legal aspect of their injuries behind them. Sometimes that means the clients and the attorneys recover less money, and that is fine. That is acceptable to the attorneys because we place our duties to our clients higher than anything. That will not be acceptable to shareholders who see our clients as nothing more than a file with a certain value.

I am frankly confused as to how this idea is even up for debate. In my legal ethics and professional responsibility classes, we were taught that non-lawyers cannot have any ownership interests in law firms because it will create this very conflict of interest.

I am happy to provide more information if necessary.

August 30, 2021
Page 3

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey A. Clause', is written over a light gray rectangular background.

JEFFREY A. CLAUSE

DRAFT



Los Angeles County Bar Association
200 South Spring Street | Los Angeles, CA 90012
Telephone: 213.627.2727 | www.lacba.org

September 9, 2021

VIA EMAIL ONLY

Hon. Ioana Petrou
c/o State Bar of California
Paraprofessional Working Group
845 South Figueroa Street
Los Angeles, California 90012

Dear Justice Petrou:

We are submitting this public comment on behalf of the Los Angeles County Bar Association (LACBA). As you may recall, LACBA submitted a preliminary public comment in advance of the April 19, 2021 meeting of the Paraprofessional Working Group. At that time, we were concerned about proposals in the subcommittee meetings that seemed to be headed in the wrong direction. Now, having reviewed the draft final report, we want to ensure our objections to the program being proposed by the Working Group are registered and considered.

LACBA has always faced the justice gap head on, and has worked to provide quality legal services for underserved communities. LACBA's affiliated 501(c)(3) corporation, Counsel for Justice, operates several legal services projects that provide competent, free legal services to litigants who otherwise cannot afford legal help. These are the Domestic Violence Legal Services Project, the Immigration Legal Assistance Project, the HIV/AIDS Legal Services Project, and the Veterans Legal Services Project. LACBA also operates two alternate public defender programs for indigent criminal defendants under contracts with the County of Los Angeles. LACBA is standing with other low income legal service providers to help close the justice gap.

Allowing non-attorneys to practice law and to own law firms is not the answer to the justice gap. We note that Paraprofessional Working Group does not propose providing additional resources to underserved communities, which is the best way to address that gap.

Instead, the Working Group's proposals appear to be an effort to disrupt the middle class legal market, and to tear down needed barriers to the practice of law by non-lawyers, in the name of "access to justice."

California is one of the only states with multiple pathways to licensure, for the stated purpose of increasing access to justice. We have ABA accredited law schools, California accredited law schools, correspondence law schools, and we even allow applicants to study law with supervising attorneys or judges. There is no shortage of legal help in California from properly trained professionals, ready to counsel clients on their fundamental rights. What needs to happen is to make those quality legal services available to those who cannot afford them.

We oppose the licensing of non-attorney paraprofessional "specialists" to provide in-court representation up to (and for everything short of) a jury trial. It is important that litigants be represented by professionals who have the legal training and education necessary to provide competent legal advice. Decisions over complicated legal strategy or waiving important rights must be made with proper legal representation. The proposed non-attorney specialists will lack the necessary legal training to properly advise clients.

The most dangerous and problematic part of the Working Group's proposals are the proposed changes to Rule of Professional Conduct 5.4. If adopted, those changes would allow non-attorney ownership of law firms, threatening the interests of clients in several ways. Allowing non-attorneys to share fees with attorneys will undermine the duty of loyalty attorneys owe their clients. Specifically, the short term financial incentives of non-attorneys largely unschooled in professional responsibility are likely to take precedence over clients' interests. Moreover, allowing attorneys to partner with non-attorney paraprofessionals in law firms would create confusion in the marketplace. The public will likely believe the Smith & Jones law firm is operated by attorneys, who are competent to provide legal advice. But that may not be true if either Smith or Jones is merely a paraprofessional.

The changes to the Rules of Professional Conduct and new proposed Rules of Paraprofessional Conduct are inconsistent with public protection. There are bound to be major conflicts of interest in allowing paraprofessionals to practice law without the requisite training. For example, such paraprofessionals will be incentivized to waive clients' valuable rights to a jury trial, since they themselves are not authorized to provide those legal services. And to suggest that a paraprofessional "specialist," trained in a community college certificate program requiring less than an Associate's degree, can provide competent legal advice on matters of fundamental importance to litigants is to wholly discount the value of a legal education.

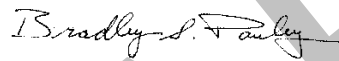
We believe a better approach to directly address the justice gap would be to fund the promising Navigator program in each self-help clinic across the state. This would allow the development of software to help self-represented clients to move their matters efficiently

through the legal system. Moreover, tracking pro bono donations and volunteer hours with the already existing low income legal service providers will significantly increase access to justice.

The idea of authorizing fee caps (or to allow non-attorneys to enter contingency fee agreements at all) is antithetical to both public protection and closing the justice gap. Contingency fees are allowed to ensure that those with valuable legal rights can seek redress without having to pay up-front legal fees. There is no shortage of attorneys willing to work on a contingency fee basis in this State. The fact the Paraprofessional Working Group is considering caps for contingency fees makes it clear these proposals are not about serving those communities in need of legal help.

We urge the Paraprofessional Working Group to reject these proposals which, if adopted, would jeopardize the interests of consumers of legal services throughout the State.

Thank you,



Bradley S. Pauley
President