



The State Bar *of California*

OPEN SESSION

AGENDA ITEM

JULY 2022

FINANCE COMMITTEE III.A

DATE: July 21, 2022

TO: Members, Finance Committee

FROM: Aracely Montoya-Chico, Chief Financial Officer

SUBJECT: Five-Year Fee Review: Results for Attorney Regulation & Consumer Resources and Professional Competence

EXECUTIVE SUMMARY

Pursuant to a policy adopted in 2017, the State Bar is required to assess the fees it charges for services every five years. A fee assessment began earlier this spring, starting with the Office of Admissions. The results of the Office of Admissions' fee review were presented to this committee at its May 2022 meeting. This item provides the Finance Committee with a second update on the fee assessment work relating to fees charged by both the Office of Attorney Regulation & Consumer Resources (ARCR) and the Office of Professional Competence (OPC). The Finance Committee is asked to review and discuss the assessment results. No action is requested at today's meeting. Fee adjustment recommendations related to Office of Admissions, ARCR, and OPC fees will be submitted to the Finance Committee and Board in September. The recommendations will be based in part on Office of General Counsel advice as to how to assess the "reasonableness" of fees pursuant to statutory directive.

BACKGROUND

The ARCR maintains, on behalf of the Supreme Court, the official roll of attorneys—the list of all attorneys who are licensed to practice in California. ARCR also manages the registration of law corporations and limited law partnerships and is responsible for ensuring the compliance of all licensees with various administrative requirements, including requirements for mandatory

continuing legal education (MCLE). The office also operates the State Bar's telephone resource center.

The OPC administers the State Bar's attorney professional responsibility programs and resources. These activities facilitate awareness of and compliance with disciplinary standards and other attorney conduct duties. OPC also administers the Mandatory Fee Arbitration (MFA) program which implements a statutory requirement to provide an alternative dispute resolution forum for attorney-client fee disputes. In addition, OPC administers the Lawyer Referral Service (LRS) certification and MCLE Certification Provider Certification (MCLEPC) programs.

The services provided by both ARCR and OPC units benefit both attorneys and the general public and are funded by the State Bar General Fund. Much of the funding used to sustain both offices derives from attorney licensing fees; in addition, fees are assessed for the specific functions outlined in this memorandum.

The 2017 fee assessment effort did not review all the ARCR and OPC fees addressed in the 2022 review. Only one of the fees assessed in 2017, that related to MCLEPC, was recommended for an adjustment at that time.

METHODOLOGY

The fee assessment is based on the methodology outlined below:

Projected Revenue (Employee Cost + Indirect Cost + External Expense) = Need for Fee Adjustment (if negative).

- Projected Revenue: Staff averaged the last four years of net processing counts in each fee category to calculate future revenue.
- Employee Cost: Salary and benefits expenses for staff assigned to identified fee-programs were proportionately allocated to each; for the MCLEPC function, two additional staff were incorporated into the fee analysis to support the goal of reducing application case processing times.
- Indirect Cost: An indirect cost per employee was derived by taking the total interfund allocation applied to the ARCR and OPC budget and dividing by total full-time employees (FTEs) in each program.
- External Expense: Current year budget figures were used as adjusted to account for known anomalies not expected to reoccur annually over the next five-year period. This included projected future expenses for new ARCR management software purchase and implementation.

OPC administration expenses were divided into four discrete programs: Ethics (including publications and the Ethics Hotline), MCLEPC, MFA, and LRS. Given there are no fees relating to ethics services, this component was not addressed in the present analysis.

ARCR administration expenses were divided into five discrete programs: Legal Licensing, MCLE Compliance, Law Corporations, Limited Liability Partnerships, and Certificates of Standing.

Based on this methodology, there are four programs that exhibit structural deficits warranting a fee increase:

- MCLE Provider Certification
- Mandatory Fee Arbitration
- Lawyer Referral Service
- MCLE Compliance
- Certificates of Standing

Detailed calculations supporting the summary information provided in the body of this memorandum are provided as Attachments A and B.

DISCUSSION

MCLE PROVIDER CERTIFICATION (OPC)

Fee Increase Needed to Break Even: 260 percent

Fee Increase Considered: 50 to 150 percent

MCLEPC revenue is estimated at \$309,000 annually and costs at \$1,084,000; the structural deficit for this program area is \$775,000.

Providers of legal education need to be approved by the State Bar in order for the education to satisfy ongoing MCLE licensure requirements. There are two different types of MCLE providers. A single activity provider (SAP) is an entity approved to hold and grant credit for a single MCLE activity during a two-year period. A multiple activity provider (MAP) is an approved provider that is given authority to offer and grant credit for any MCLE activity that complies with the terms of the MAP agreement, without seeking separate approvals for each program offered.

The blended cost of the certification for both SAPs and MAPs (including renewals) is \$572, which exceeds the fees currently charged of \$90 (SAP) and \$360 (MAP). The cost analysis includes the addition of two new FTEs being added to the existing four FTE staff to improve service levels and reduce application processing times, which currently exceed eight weeks. With the addition of the additional FTE, case processing times will be cut in half. To fully close the gap between revenue and cost would require a fee increase of 260 percent, resulting in new SAP application fees of \$324 and MAP application or annual renewal fees of \$1,296.

OPC staff does not recommend a fee increase of this size. Instead, an increase of 150 percent (from \$90 to \$225 for SAP applicants) and a 50 percent increase (from \$360 to \$540 for MAP applicants) is recommended. Staff believes that increases in excess of these amounts would deter providers from seeking certification in California. These assumptions will be assessed over the next couple of months as a final recommendation for fee increases is developed for Finance Committee consideration.

MFA (OPC)

Fee Increase Needed to Break Even: 360 percent

Fee Increase Considered: 7 percent

MFA revenue is estimated at \$79,000 annually and costs at \$310,000; the structural deficit for this program area is \$231,000.

The MFA program goal is to resolve fee disputes between attorneys and clients by helping them communicate their disagreements to an independent panel of arbitrators. This program is mandatory for a lawyer if requested by a client. The State Bar both supports the programs run by local bar associations and directly provides arbitration services itself if there is no local bar program to handle the dispute. The present fee assessment only addresses the costs associated with fee arbitration directly administered by the State Bar.

The average cost to support the approximately 60 annual cases the State Bar handles itself is around \$10,000 per case. Revenue is generated through filing fees, which are currently set at a minimum of \$50 or 5 percent of the amount in dispute, up to a cap of \$5,000 per case. Although case sizes vary every year an analysis of the past three years' filings indicate that filing fees would have to increase from 5 to 23 percent, with an overall filing fee cap of \$24,000, to cover program operating costs. OPC staff does not recommend a fee increase of this size. Instead, an increase of the minimum fee to \$100, or 7 percent of the amount in dispute, is recommended. Similarly, OPC staff recommends that per case caps be increased to \$7,500 for cases valued at less than \$250,000 and \$15,000 for cases valued above that amount. OPC staff cited the fact that many local fee arbitration programs set their fees at the 7 percent level in support of the recommendation. OPC staff does not believe that the recommended increases for overall filing fee caps (to \$7,500 or \$15,000 based on overall case value) will deter participation in fee arbitration, while still generating necessary additional revenue to offset program costs.

LRS (OPC)

Fee Increase Needed to Break Even: 4 percent

Fee Increase Considered: 2 percent

LRS revenue is estimated at \$96,000 annually and costs at \$353,000; the structural deficit for this program area is \$257,000.

Certified LRS are certified by the State Bar and designed to help the public find legal assistance. Lawyers participating in an LRS must be in good standing professionally, hold professional liability insurance, and offer a reduced or no initial consultation fee.

The bulk of program revenue is derived from annual recertification fees, which have been trending down the past three years but are estimated to rebound in 2022. (There has been only one single new provider applicant approved over the past four years.) Applying this pool of recertification numbers only, the average cost of each certified program \$14,725 for each active referral service. LRS certification fees are set at 1 percent of gross revenue reported by each

LRS, up to a maximum fee of \$10,000. Programs are able to apply for certification fee waivers based on their overall financial position. Annual recertification fees would have to increase from 1 percent to 4 percent (or slightly less with corresponding higher caps) to achieve break-even status.

OPC staff does not recommend a fee increase of this size but rather an increase of annual fees from 1 percent to 2 percent of LRS gross revenue. Even with the current 1 percent fee, there are a number of smaller LRS programs that operate at break even or a deficit and are therefore eligible for a fee waiver. Staff believes that any higher fee increases might put struggling programs out of business. Due to potential rule revision changes that could lead to new fee standards that differentiate between for-profit and nonprofit programs (including different caps based on income benchmarks), staff prefers not to recommend any changes to the existing \$10,000 maximum fee cap at this time.

MCLE Compliance (ARCR)

Fee Increase Needed to Break Even: 255 percent

Fee Increase Considered: 33–300 percent

MCLE compliance functions are estimated to generate revenues of \$210,000 at a cost of \$736,000; the structural deficit for this function is \$525,000.

MCLE compliance involves the auditing of attorneys' continuing education requirements, which can generate fees for attorneys that do not report completion of 25 hours of MCLE in subject areas including legal ethics, competence issues and elimination of bias. Attorneys who are late to report are generally subject to a MCLE Late Penalty, and/or MCLE Reinstatement fee if they are administratively suspended. There are also special handling fees to request MCLE credit from providers not on the approved jurisdictions list (MCLE Credit Request) and to request an educational modification (MCLE E-mod) where the attorney is prevented from completing their MCLE requirements due to a physical or mental condition, natural disaster, family emergency, financial hardship, or other good cause approved by the State Bar. MCLE E-Mod fees are frequently waived, as financial hardship is a common ground for modification.

It is estimated that each of the four MCLE compliance fees (MCLE Late Penalty, MCLE Reinstatement, MCLE Credit, and MCLE E-Mod) would need to be raised 255 percent to cover operating costs.

ARCR staff does not recommend a blanket fee increase across the board but does recommend that MCLE Late Penalty and MCLE E-Mod fees both be raised 33 percent to \$100 each. ARCR recommends the MCLE Reinstatement fee be raised 50 percent from \$200 to \$300 to encourage early compliance. ARCR also recommends the MCLE Credit Requests fee be raised 300 percent to \$100, as these requests require a considerable amount of staff processing.

Certificate of Standing (ARCR)

Fee Increase Needed to Break Even: 45 percent

Fee Increase Considered: 0–20 percent

Certificate of Standing revenue is estimated at \$250,000 annually and costs at \$355,000; the structural deficit for this program area is \$105,000.

The State Bar can, at a licensee's request, issue a single-page Certificate of Standing to verify an attorney's name, bar number, admission date, current status, any name or status changes and any public discipline to date, for a fee of \$25. Additional fees are assessed if notarization or UPS mailing is requested.

Certificate of Standing fees have not been increased since 2009. The notary option is a fixed pass-through fee of \$15, and the optional UPS shipping is set at an average to recoup the actual cost of shipping. ARCR staff recommends a small increase of 20 percent, from \$25 to \$30 for the certificate itself only.

SUMMARY

All programs reviewed were based on actual and budgeted FTEs at their current salary and benefit levels and housed within the current physical office space. Movement within State Bar buildings, or from city-to-city, will impact the overhead expense for each program, as well as new hires replacing more senior staff in similar positions. Some adjustments were made to account for cost increases expected over the next five-year period, such as office supplies and known software development within the departments. For discussion, one could also advocate for future cost increases using a formulaic method to mirror inflationary pressures of other measures to help programs keep pace with rising costs.

Finance staff will conduct a thorough analysis of program staff's recommended fee adjustments and will consult with the Office of General Counsel on any legal requirements regarding fee setting as final recommendations for fee modifications are developed for Finance Committee and Board consideration in the fall.

FISCAL/PERSONNEL IMPACT

None

AMENDMENTS TO RULES

None

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

None

STRATEGIC PLAN GOALS & IMPLEMENTATION STEPS

Updates are being made to this section of the agenda item template to reflect the 2022–2027 Strategic Plan.

RECOMMENDATIONS

None

ATTACHMENTS LIST

- A.** OPC Detailed Fee Analysis summary
- B.** ARCR Detailed Fee Analysis summary

Program Resource Cost Summary: OPC

				Processing Counts				Projected	
				2018	2019	2020	2021	2022	Revenue
MCLE Provider Certification (MCLEPC)									
Cost Center (expense/revenue): 8420/5720									
Last Review/Next Review Date: 2017/2022									
				2018	2019	2020	2021	2022	Revenue
Single Activity Applications				1,454	1,485	1,412	1,417	1,383	\$ 124,470
Map Applications				125	125	82	124	124	\$ 44,460
Map Renewals				491	476	440	418	389	\$ 140,040
Cycle: every 3rd year								1,896	\$ 308,970
MCLEPA Processing:									
Program Director II									
Program Assistant II									
Program Manager I									
Program Coordinator-NE									
Program Assistant II									
Managing Attorney									
Program Analyst									
Program Analyst									
FTE Total: 6.00									
External Expenses									
50-Temp Outside /Contractor									
51-Building Operations Total									
52-Services Total									
54-Supplies Total									
55-Equipment Total									
56-Other Expenses Total									
External Expenses Total: \$ 6,350									
Mandatory Fee Arbitration (MFA)									
Cost Center (expense/revenue): 8860									
Last Review/Next Review Date: unknown/2022									
				2018	2019	2020	2021	2022	Revenue
Fee Arbitration Requests				40-60	52	50	61	61	
Fees Collected from above				\$ 32,492	\$ 64,000	\$ 58,131	\$ 74,262		\$ 79,393
Filing Minimum									\$ 79,393
Filing Cap									
Cycle: none									
MFA Processing:									
Program Assistant II									
Senior Program Analyst									
Senior Program Analyst									
Attorney									
Program Analyst									
Program Supervisor									
FTE Total: 1.375									
External Expenses									
50-Temp Outside /Contractor									
51-Building Operations Total									
52-Services Total									
54-Supplies Total									
55-Equipment Total									
56-Other Expenses Total									
External Expenses Total: \$ 1,150									
Lawyer Referral Service (LRS)									
Cost Center (expense/revenue): 8810									
Last Review/Next Review Date: unknown/2022									
				2018	2019	2020	2021	2022	Revenue
LRS Certification Applicant						\$ 20,000			\$ -
LRS Recertifications				28	28	24	20	24	
LRS Recertification Revenue				\$ 68,101	\$ 70,958	\$ 65,900	\$ 87,631		\$ 95,968
Cycle: annual									\$ 95,968

LRS Processing:

Program Director II	0.10
Program Assistant II	0.20
Senior Program Analyst	0.05
Program Analyst	0.30
Program Supervisor	0.30
Lead Program Analyst	0.35
Senior Program Analyst	0.20

FTE Total: 1.50**External Expenses**

50-Temp Outside /Contractor	
51-Building Operations Total	\$ 231
52-Services Total	\$ 288
54-Supplies Total	\$ 358
55-Equipment Total	\$ 231
56-Other Expenses Total	\$ 935
External Expenses Total:	\$ 2,042

Program Labor	\$ 173,195
Labor Benefits	\$ 61,623
Indirect Costs (Overhead for 1.5 FTE)	\$ 116,540
Other External Expenses	\$ 2,042
Projected Program Cost	\$ 353,400
Program NET:	\$ (257,433)
<i>(projected revenue less expenses)</i>	
Breakeven*	+
4% of gross	3%
<i>* based on 2022 projections</i>	<i>+ revenue \$ 287,905</i>
	Prog NET A: \$ 30,472
OPC Recommendation	+
2% of gross	1%
	<i>+ revenue \$ 95,968</i>
	Prog NET B: \$ (161,465)
<i>Estimated blended cost/processing</i>	<i>\$ 14,725</i>

Program Resource Cost Summary: ARCR

				Processing Counts				Projected	
				2018	2019	2020	2021	2022	Revenue
Law Corporations (LC)									
Cost Center (expense/revenue): 10									
Last Review/Next Review Date: 2017/2022									
Cycle: Annual									
	LC Fee Applications	42110	\$ 200	872	816	791	807	803	\$ 160,500
	LC Renewal	42160	\$ 75	7,655	10,305	10,066	10,037	9,903	\$ 742,725
	LC Late Fees	42120	\$ 110	268	4,335	2,348	1,913	1,100	\$ 121,000
								11,806	\$ 1,024,225
LC Processing:									
	Program Assistant II	0.05		Program Labor				\$ 140,593	
	Program Director II	0.10		Labor Benefits				\$ 50,023	
	Program Analyst	0.22		Indirect Costs (Overhead for 1.5 FTE)				\$ 165,317	
	Program Assistant II	0.48		Other External Expenses				\$ 2,050	
	Princ Program Analyst	0.10		Projected Program Cost				\$ 357,984	
	Senior Program Analyst	0.05							
	Program Specialist	0.50							
FTE Total:		1.50		Program NET:				\$ 666,241	
				(projected revenue less expenses)					
				Estimated blended cost/processing				\$ 30	
External Expenses									
50-Temp Outside /Contractor									
51-Building Operations Total									
52-Services Total									
54-Supplies Total		\$ 1,450							
55-Equipment Total		\$ 600							
56-Other Expenses Total									
External Expenses Total:		\$ 2,050							
Limited Liability Partners (LLP)									
Cost Center (expense/revenue): 10									
Last Review/Next Review Date: 2017/2022									
Cycle: Annual									
	LLP Applicant @2	42130	\$ 100	134	120	108	136	144	\$ 14,400
	LLP Applicant >2	42130	\$150-\$2,500	64	61	49	68	72	\$ 25,502
	LLP Renewal @2	42140	\$ 75	1,350	1,284	1,310	1,268	1,260	\$ 94,500
	LLP Renewal >2	42140	\$100-\$2,500	1,222	1,052	1,424	966	923	\$ 556,937
								2,399	\$ 691,338
LLP Processing:									
	Program Assistant II	0.05		Program Labor				\$ 138,983	
	Program Director II	0.10		Labor Benefits				\$ 49,450	
	Program Analyst	0.23		Indirect Costs (Overhead for 1.5 FTE)				\$ 164,362	
	Program Assistant II	0.47		Other External Expenses				\$ 1,450	
	Princ Program Analyst	0.10		Projected Program Cost				\$ 354,244	
	Senior Program Analyst	0.05							
	Program Specialist	0.50							
FTE Total:		1.50		Program NET:				\$ 337,094	
				(projected revenue less expenses)					
				Estimated blended cost/processing				\$ 148	
External Expenses									
50-Temp Outside /Contractor									
51-Building Operations Total									
52-Services Total									
54-Supplies Total		\$ 850							
55-Equipment Total		\$ 600							
56-Other Expenses Total									
External Expenses Total:		\$ 1,450							
Legal Licensing (LL)									
Cost Center (expense/revenue): 10									
Last Review/Next Review Date: n/a									
Cycle: Annual									
	Annual License Fee (active)	40110/210	\$ 463	197,058	194,500	196,442	179,827	172,491	\$ 79,863,102
	Annual License Scaling (active)	40110/210	\$ 347				20,000	21,000	\$ 7,292,250
	Annual License Fee (inactive)	40110/210	\$ 130	37,251	37,231	37,739	37,914	38,256	\$ 4,988,517
	License Late fee (active)	40310/320	\$ 100	22,582	10,176	9,080	9,116	8,586	\$ 858,600
	License Late fee (inactive)	40310/320	\$ 30	10,863	5,143	4,450	5,275	5,341	\$ 160,230
	Bar Card Replacement fee	42903	\$ 10	44	23	4	1	-	\$ -
	Suspension Reinstatement fee	40110/210	\$ 100	298	277	289	168	200	\$ 20,000
								245,873	\$ 93,182,699

(includes all ARCR activities other than MCLE special handling, LC, LLP & Certificates)

LL Processing (includes fee collection, MCLE and Hotline)

Program Director II	0.65
Program Assistant II	0.05
Program Coord-NE	0.10
Princ Program Analyst	0.66
Public Service Rep II	1.00
Public Service Rep II	1.00
Senior Program Analyst	1.00
Program Assistant II	0.15
Program Coord-NE	1.00
Program Assistant III	1.00
Program Coord-NE	1.00
Public Service Rep III	1.00
Program Manager I	0.98
Program Assistant II	0.05
Public Service Rep III	1.00
Public Service Rep II	1.00
Program Assistant III	0.75
Program Supervisor	1.00
Public Service Rep III	1.00
Program Coord-NE	1.00
Public Service Rep III	1.00
Program Supervisor	0.50
Senior Program Analyst	0.88
Program Analyst	0.10
Program Assistant III	1.00
Program Supervisor	1.00
Program Assistant II	1.00

FTE Total: 20.87**External Expenses**

50-Temp Outside /Contractor	\$	136,500
51-Building Operations Total	\$	10,920
52-Services Total	\$	100,282
54-Supplies Total	\$	77,632
55-Equipment Total	\$	1,242,150
56-Other Expenses Total	\$	3,640

External Expenses Total: \$ 1,571,124**Minimum Continuing Legal Education (MCLE)**

Cost Center (expense/revenue): 10

Last Review/Next Review Date: n/a

Cycle: every third year

	acct			
MCLE Late fee	42380	\$	75	
MCLE Reinstatement	42390	\$	200	
MCLE Credit Requests	42370	\$	25	
MCLE E-mods	42360	\$	75	

MCLE Compliance Processing (does not include providers)

Program Director II	0.15
Program Analyst	0.45
Program Assistant II	0.95
Program Coord-NE	0.90
Princ Program Analyst	0.14

FTE Total: 2.59**External Expenses**

50-Temp Outside /Contractor	\$	13,500
51-Building Operations Total	\$	1,080
52-Services Total	\$	9,918
54-Supplies Total	\$	7,678
55-Equipment Total	\$	122,850
56-Other Expenses Total	\$	360

External Expenses Total: \$ 155,386

Program Labor	\$	1,880,166
Labor Benefits	\$	668,963
Indirect Costs (Overhead for 20.87 FTE)	\$	2,198,815
Other External Expenses	\$	1,571,124
Projected Program Cost	\$	6,319,068

Program NET: \$ **86,863,631**
(projected revenue less expenses)

Estimated blended cost/processing \$ **27**

<i>(includes the breakout MCLE fees not projected in LL above)</i>									
		2018	2019	2020	2021	2022	Revenue		

2018	2019	2020	2021	2022		Revenue
6,272	4,797	3,720	3,195	2,394	\$	179,550
298	277	289	168	114	\$	22,700
266	349	188	122	200	\$	5,000
36	42	21	12	40	\$	3,000
				2,748	\$	210,250

Program Labor	\$	245,769
Labor Benefits	\$	87,445
Indirect Costs (Overhead for 2.59 FTE)	\$	247,498
Other External Expenses	\$	155,386
Projected Program Cost	\$	736,097

Program NET: \$ **(525,847)**
(projected revenue less expenses)

Estimated blended cost/processing \$ **268**

Breakeven		+		~ 255%	
\$	266	MCLE Late fee	\$	191	2,394
\$	710	MCLE Reinstatement	\$	510	114
\$	89	MCLE Credit Requests	\$	64	200
\$	266	MCLE E-mods	\$	191	40

Total Increase \$ 536,138
 Prog NET A: \$ 10,290

ARCR Recommendation		+			
\$	100	MCLE Late fee	\$	25	2,394
\$	300	MCLE Reinstatement	\$	100	114
\$	100	MCLE Credit Requests	\$	75	200
\$	100	MCLE E-mods	\$	25	40

Total Increase \$ 87,200
 Prog NET B: \$ **(438,647)**

Certificates (CT)

	acct		
Certificates	42902	\$	25
Addl w/notary	42902	\$	15
Addl w/UPS*	42902	\$	30

**UPS pass-thru fees: \$30 in CA, \$40 Outside CA, \$90 Int'l*

CT Processing

Program Assistant II	0.75
Program Assistant III	0.25
Program Supervisor	0.50
FTE Total:	1.50

External Expenses

50-Temp Outside /Contractor		
51-Building Operations Total		
52-Services Total	\$	17,000
54-Supplies Total	\$	9,750
55-Equipment Total	\$	-
56-Other Expenses Total		
External Expenses Total:	\$	26,750

2018	2019	2020	2021	2022	Revenue
10,089	9,894	9,799	10,616	10,000	\$ 250,000
					<u>\$ 250,000</u>
			Program Labor	\$ 136,000	
			Labor Benefits	\$ 48,389	
			Indirect Costs (Overhead for 1.5 FTE)	\$ 143,339	
			Other External Expenses	<u>\$ 26,750</u>	
			Projected Program Cost	\$ 354,477	
			Program NET:	\$	(104,477)
			<i>(projected revenue less expenses)</i>		
			<i>Estimated blended cost/processing</i>	<i>\$ 35</i>	
Breakeven			+		~ 45%
\$ 36		Certificates	\$ 11	10,000	\$ 112,500
		Notary*		0	\$ -
		UPS +		0	\$ -
				Total Increase	\$ 112,500
				Prog NET A:	\$ 8,023
ARCR Recommendation			+		
\$ 30		Certificates	\$ 5	10,000	\$ 50,000
\$ 15		Notary*	\$ -	0	\$ -
\$ 30		UPS +	\$ -	0	\$ -
				Total Increase	\$ 50,000
				Prog NET B:	\$ (54,477)
* Notary fee is fixed					