



**OPEN SESSION  
AGENDA ITEM V.F.  
JUNE 2024  
COMMITTEE OF BAR EXAMINERS**

**DATE:** June 21, 2024

**TO:** Members, Committee of Bar Examiners

**FROM:** Natalie Leonard, Principal Program Analyst, Office of Admissions

**SUBJECT:** Action on Inspection Report – Lincoln Law School, San Jose

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**EXECUTIVE SUMMARY**

This item presents the inspection report for the February 26 and 29, 2024 inspection of Lincoln Law School of San Jose (Lincoln San Jose) (Attachment A), a registered, unaccredited fixed-facility law school, and the law school's response accepting the report (Attachment B). Staff recommends that the Committee of Bar Examiners (committee) fully adopt this inspection report and its recommendations, renew the law school's registration, direct the law school to include in its 2024 annual report evidence of completion of each recommendation, and set the next inspection for winter 2026. The law school has also provided a letter of intent to begin the process of seeking accreditation in the future, and the committee will be advised when the law school completes its application so that it can be reviewed by the committee.

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**BACKGROUND**

Lincoln San Jose is a registered, unaccredited fixed-facility law school based in San Jose, California. It was founded in 1919 and became accredited by the State Bar of California in 1993. In 2018, the State Bar advised the law school that it should take steps to maintain its bar exam cumulative pass rate, as it was beginning to fall. By 2020, the law school's five-year, minimum cumulative bar exam pass rate fell below the 40 minimum required of all accredited law schools under Accredited Law School Rule 4.160(D)(6). As a result, the law school entered a two-year

period of probation during which it remained accredited and was directed to return to compliance. During that time, the State Bar encouraged the law school to work with its alumni to prepare students for the bar exam, advising the law school of the State Bar's free Bar Strategies and Stories productive mindset study program. During this time, there was also a reduction in the cut score needed to pass the bar exam and the addition of the Provisional Licensure Program's expanded program that would allow certain qualified graduates to license without taking an additional bar exam.

In August 2022, after the law school's bar pass rate had been out of compliance for three reporting cycles, Lincoln San Jose's accreditation was terminated. The committee approved its application to operate as an unaccredited, fixed-facility law school effective January 1, 2023. The law school elected not to enroll a winter 2023 class as it had done previously but accepted a new first-year class in the unaccredited, fixed-facility program starting in fall 2023.

The law school taught classes online under a waiver related to the pandemic from 2020 to 2022 and considered applying to transfer to the unaccredited distance-learning category, but ultimately decided to continue as a fixed-facility law school when it transitioned to operating as an unaccredited law school.

As of fall 2023, the law school enrolled 40 students in its JD program. The total cost of tuition and fees for the JD program at the law school is \$88,500.

Lincoln San Jose's most recent bar pass rate in February 2024 is 18.2 percent and its five-year cumulative bar pass rate is 33 percent<sup>12</sup>. Note that for unaccredited law schools, the cumulative bar exam pass rate calculation includes all individuals who passed the bar exam during that five-year period regardless of when they graduated, including long-term repeaters. The law school's first results on the First-Year Law Students' Exam as a registered, unaccredited law school will be available in August.

Unaccredited law schools registered with the committee are inspected for compliance with the Rules for Unaccredited Law Schools (rules) and Guidelines for Unaccredited Law School Rules (guidelines) approximately every five years or on the schedule deemed appropriate by the committee.

The inspection took place on February 26 and 29, 2024. The inspection team included Educational Standards Consultants Heather Georgakis and committee member Dr. James Bolton. At the law school's request, a subsequent meeting was also held in March 2024.

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<sup>1</sup> The law school projects that using the formula applicable to accredited law schools to calculate a five-year minimum, cumulative bar exam pass rate will be above the 40 percent minimum for the first time since 2019, and it has already begun the process of preparing an application to share with the committee at a future date.

<sup>2</sup> The difference between the MPR and the unaccredited five-year cumulative bar exam pass rate is caused by a slight difference in the time period as well as only including those graduates who graduated within the five-year period.

The State Bar provided Lincoln San Jose with a copy of its inspection report on May 13, 2024 (Attachment A). Pursuant to Rule 4.244(F), within fifteen days of receiving an inspection report, a law school must notify the committee that it accepts the report or objects to it in whole or in part. Lincoln San Jose provided a timely response to the inspection report on May 28, 2024 (Attachment B) accepting the report and also providing narrative update as to progress since the report, as well as some documentation of the updates.

## **DISCUSSION**

The inspection report includes sixteen recommendations corresponding to sixteen areas of non-compliance in a range of areas. The inspection team's key observations counsel that the law school must review its admissions and transfer policies, continue to communicate with students and prospective students about the law school's requirements and offerings, and continue to balance its finances. While at the time of the inspection, the law school raised concern as to whether it would have the funds to operate past June 30, 2024, it has since secured funding for the next two years and is pursuing additional funding options in the future.

The law school filed a response on May 28, 2024, accepting all recommendations and providing updates as to progress already made or projected on twelve of the sixteen recommendations. (Attachment B). Administrative updates to the law school's catalog have been implemented for the 2024-2025 catalog. The law school is also working to clarify its admissions and probation policies and review the level of academic support available to students. Since April 2024, the law school has also taken significant steps to inform students of challenges and progress at the law school and provide them with academic counseling and support regardless of whether they plan to continue at Lincoln San Jose, as many have, or to transfer. A more formalized Faculty Senate will be reinstated after significant work this summer to improve faculty training, standards, and evaluation. The law school also plans to hire a Director of Development to assist with fundraising for the long term.

Lincoln San Jose also projects that its MPR calculated under the formula for Accredited Law Schools, described in Rule 4.160(D)(6), will be over the 40 percent minimum this year and, as a result, it is in the process of preparing an application for accreditation addressing all aspects of the new rules for accredited law schools. The first portion of the application has already been received, and when a full application is received it will be promptly analyzed by staff and shared with the committee.

Staff recommends that that inspection report be adopted in full including all recommendations, and that the law school provide a full update establishing completion of each recommendation in its 2024 annual report due in November 2024, including evidentiary support as to the steps taken to establish compliance in all sixteen areas identified. It is further recommended that the law school's registration be renewed, and its next inspection be set for winter 2026, to ensure implementation of all recommendations and continued financial stability.

## **PROPOSED MOTION**

Should the Committee of Bar Examiners agree with the staff recommendation, the following motion should be made:

**MOVE**, that the inspection report of the inspection of Lincoln Law School San Jose set forth in Attachment A, as well as the response set forth in Attachment B, be received and filed.

**FURTHER MOVE**, that the inspection report be adopted in full, including all recommendations, and that the law school be directed to address each as soon as possible and provide evidence of completion in its 2024 Annual Report due November 15, 2024. To the extent that a recommendation in the report has already been fully or partially addressed, evidence documenting continuing compliance must be included.

**FURTHER MOVE**, that the law school's registration as an unaccredited, fixed-facility law school be continued and the next inspection set for winter 2026.

## **ATTACHMENT LIST**

- A. February 2024 Periodic Inspection of Lincoln Law School of San Jose
- B. Law School Response to February 2024 Periodic Inspection of Lincoln Law School of San Jose



# The State Bar of California

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OFFICE OF ADMISSIONS

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May 13, 2024

Dean Jason Amezcua  
Lincoln Law School of San Jose  
384 South Second Street  
San Jose, CA 95113

RE: February 2024 Periodic Inspection of Lincoln Law School of San Jose

Dear Dean Amezcua:

Attached is a courtesy copy of the inspection report summarizing the inspection team's findings based on the material submitted by the law school, the visit that took place on February 26 and 29, 2024, and follow up conversations with the law school's administration and several board members.

Under Rule 4.244(F), within fifteen days of receiving an inspection report (May 28, 2024), the law school must notify the Committee that it accepts the report or objects to it in whole or in part. The law school may also provide updates or compliance enhancements that have occurred since the inspection visit. An objection or update must be supported by documentation.

Please forward any response to [lawschoolregulation@calbar.ca.gov](mailto:lawschoolregulation@calbar.ca.gov).

The Committee of Bar Examiners will review this report and any response provided by the law school at its meeting on June 21, 2024, to verify the law school's level of compliance with the Rules for Unaccredited Law Schools and to create a timeline for the law school to address any compliance issues identified during the inspection.

Sincerely,

*Natalie Leonard*

Natalie Leonard  
Principal Program Analyst



# The State Bar of California

## Lincoln Law School of San Jose

### Periodic Inspection Report

Inspection conducted  
Pursuant to Rule 4.244(A) of the  
Unaccredited Law School Rules on:

**February 26 & 29, 2024**

***Visitation Team:***

Heather Georgakis,  
Educational Standards Consultant

Dr. James Bolton,  
Committee of Bar Examiners Member

## **REPORT ON INSPECTION OF LINCOLN LAW SCHOOL OF SAN JOSE**

### **384 SOUTH SECOND STREET, SAN JOSE, CA 95113**

#### **INTRODUCTION**

A State Bar inspection team conducted a periodic inspection of Lincoln Law School of San Jose (LLSSJ) on February 26 and 29, 2024 pursuant to Unaccredited Law School Rule 4.244(A). The team consisted of Heather Georgakis, Educational Standards Consultant to the Committee of Bar Examiners (committee), and Dr. James Bolton, member, Committee of Bar Examiners. State Bar staff members Theresa Solenski and Natalie Leonard supported the team.

This is the first inspection of the law school since it began operating in registered, unaccredited fixed-facility law school effective January 1, 2023.

The purpose of this inspection was for the law school to demonstrate compliance with the Unaccredited Law School Rules (Rules) and all relevant Guidelines for Unaccredited Law School Rules (Guidelines). The law school advised that it may apply for accreditation in the near future. This will require the law school to file an application demonstrating its compliance with the Accredited Law School Rules and Guidelines.

The inspection team made the following observations related to compliance with the Unaccredited Law School Rules and Guidelines.

#### **Background**

LLSSJ is a nonprofit 501(c)(3) organization registered as an unaccredited, fixed-facility law school offering a part-time, evening Juris Doctor (JD) program. The school was founded in 1919. In 1993, the school became a non-profit entity, adopted its current name, and became accredited by the State Bar of California.

In 2018, the State Bar began communicating with the law school informally, as its graduates' bar exam performance began to decline. By 2020, the law school no longer maintained the minimum 40 percent five-year cumulative pass rate required of all accredited law schools, and the committee placed the law school on probation for two years. (Accredited Law School Rule 4.160(N) and Guideline 12.1, later restated as Rule 4.160(D)(6), effective January 2, 2022). At the end of the probation period, the law school remained out of compliance. As a result, the committee moved in August 2022 to terminate the law school's accreditation, but approved its application to operate as an unaccredited, fixed-facility law school effective January 1, 2023. The law school elected not to enroll a winter 2023 class but accepted a new first-year class starting in fall 2023.

As of fall 2023, the school enrolled 40 students, including 8 first-year students, 10 second-year students, 16 third-year students, and 6 fourth-year students. Of the 26 first-year students who enrolled in 2022, nine (35 percent) returned in 2023, while 17 (65 percent) did not. Some of these students lived out of the area and attended the program while it operated under a waiver to teach classes online due to COVID; those students did not continue when the law school chose to return to a fixed-facility format. Currently, the tuition and fees required to earn a JD at LLSSJ total \$88,000.

Since 2023, the law school's governing Board of Trustees (governing board) has experienced significant turnover. In February 2023, four trustees resigned when a five-member majority voted to elect a new chair; two new members were added but one has since resigned. The governing board currently consists of six members with experience in educational administration, law, and business, led by an Executive Committee.

Since 2022, three different deans have led the law school. Dean Laura Palazzolo, a State Bar licensee and valedictorian graduate of LLSSJ, resigned in December 2022 after a six-year tenure. Dean Arthur Jue was appointed in January 2023. Dean Jue held an MBA and had taught business courses; He served for seven months together with Associate Dean Michele Pacheco, a State Bar licensee, before they both resigned, without prior notice, on August 11, 2023.

The governing board immediately elevated Jason Amezcua, the school's Admissions Director, to the position of Interim Dean and, eventually dean.

At that time, faculty had not been hired for the impending fall 2023 term, so classes were delayed by one week, and the school's Admissions Director, Jason Amezcua was elevated to the role of interim dean and, shortly thereafter dean. Faculty were hired and, while fall classes were delayed by one week, they otherwise proceeded as planned.

Dean Amezcua holds a JD degree from an ABA-approved school, Saint Louis University Law School, both a bachelor's degree and a Master of Science in College Student Personnel Administration. Dean Amezcua's background includes 19 months as LLSSJ's Admissions Director and 20 years in higher education administration, in student service residential life housing positions.

Other full-time administrators include Kim Zea, who has served for seven years as Registrar, and Joanne Ohlson, a 2022 LLSSJ valedictorian and State Bar licensee who became Associate Dean of Academics and Instruction in November 2023. After law school, Associate Dean Ohlson worked briefly at a law firm, opened a solo practice, and also worked for several months as a researcher at LLSSJ; her experience also includes positions in financial services and other businesses. Three instructors also perform some administrative duties, part-time under contract. Carlos Singh previously held Dean Ohlson's position on an interim basis. He is now Associate Dean of Faculty and consults with Dean Ohlson several times weekly. Don Kilmer is deemed full-time faculty and has been tasked with reviving the Faculty Senate. Teddy Patty runs the Intellectual Property (IP) Clinic and other IP initiatives.

Other faculty members are hired to teach on a per-course basis, typically one course per term. All instructors hold law degrees from law schools approved by ABA or registered or accredited by the committee. All are licensed by the State Bar or, in one case, another jurisdiction.

As of January 2024, the five-year calendar cumulative bar exam pass rate for LLSSJ graduates was 33 percent using the formula applied to unaccredited law schools, based on a pool of 87 graduates.

From February 2021 through July 2023, cumulatively over six bar exams, 20 LLSSJ graduates have passed the bar exam. Pass results were as follows: February 2021 – 22.7 percent of 22 takers; July 2021 – 13.3 percent of 30 takers; February 2022 – 28.6 percent of 14 takers; July 2022 – 14.3 percent of 21 takers; February 2023 – 13.3 percent of 15 takers; July 2023 – 10.5 percent of 19 takers. Subsequent to the inspection, results were released for the February 2024 bar exam as follows – 18.2 percent of 11 takers.



The law school's results on the First-Year Law Students' Examination as an unaccredited law school are not yet available.

While the law school has been in operation as an unaccredited law school since January 1, 2023, it chose not to enroll new students until fall 2023. As a result, its first cohort of students became eligible to take the June 2024 First-Year Law Students' Exam. Staff will monitor results, as it does for each school

### Submission of Self-Study Materials

To prepare for the inspection, the team reviewed the law school's self-study, 2023 Annual Compliance Report, website, Catalog, Student Handbook, Faculty Handbook, student results on State Bar exams, and records requested by the State Bar, including syllabi, course examinations, faculty evaluations, and meeting minutes from meetings of the school's governing board.

At the State Bar's request, the law school invited all current students to submit confidential comments via email and the team reviewed all four comments received.

### Conduct of Site Visit

Virtual inspections took place from 9:00 a.m. to 6:00 p.m. and 6:15 p.m. on February 26 and February 29, 2024, respectively. Members of the inspection team attended classes virtually on February 26, 27, and 28. During the inspection, the team toured the LLSSJ facility virtually and conferred with members of the law school's governing board including Chair Claude Fletcher, Treasurer Bill Long, Hon. Arthur Weissbrodt, and John Domingue.

The team also spoke with LLSSJ administrators, including Dean Amezcua, Associate Dean Joanne Ohlson, Associate Dean Singh, Registrar Zea, Assistant Registrar Alma Zermeno, and Project Manager Veronica Zea; faculty members, including Donald Kilmer, Shannon Syth-Mendoza, Steven Dick, Rodney Mayr, Samuel Chuck, Hon. Daniel T. Nishigaya, Norberto Sandoval, and Patrick Hammon; contract personnel, including Ben Hancock (accounting), Lisa Karr (payroll and human resources), and USWired representatives (technology services and security); and students representing all four class years.

Under Unaccredited Rules 4.201, 4.240(N), and 4.244, LLSSJ must demonstrate its compliance with the Unaccredited Law School Rules and Guidelines. The findings below list compliance issues observed during the February 2024 inspection. If an update was received subsequent to the inspection, this is noted.

## INSPECTION OBSERVATIONS AND STATUS UPDATES

### Compliance Issues with the Unaccredited Law School Rules and Guidelines Observed in February 2024

**A. Rule 4.240(B); Guidelines 2.3(A)-(C):** The law school is not in compliance with Guideline 2.3 in the following ways. The guideline requires a school to be honest and forthright in its communications. While LLSSJ's Catalog lists 14 elective courses, not all elective courses are regularly offered. Of the 14 electives listed, only one was offered in fall 2023 and only five total were offered over the past year. The Catalog must specify whether a course is in active rotation, or if not, with what frequency it is available, particularly if a course may not be offered during a student's time at the school.

To bring itself into compliance, the school should remove from the Catalog any electives not offered in the past three years or not expected to be offered in the next two years and inform students via the Catalog that electives are not taught each year but are offered only from time to time, based on applicable factors such as student interest or instructor availability.

The law school should also clearly inform students as to their responsibilities and the status of the law school. Recent calls to the State Bar from students suggested that, despite the law school's recent communications to students and a forum discussion with students, there was still confusion as to the financial status of the law school. Also, other students who recently contacted the State Bar did not appear to understand the requirement for students beginning their study on or after January 1, 2023, to take and pass the First-Year Law Students' Exam.

**B. Rule 4.240(B); Guidelines 2.9(A)-(B):** The law school is not compliant with Guideline 2.9, which requires a school to adopt and publish fair academic standards, including the courses, units, grades, and grade point average required for good standing, advancement, and graduation.

The Student Handbook and Catalog did not state LLSSJ's academic standards clearly and consistently. For example, the cumulative GPA required for academic good standing was set forth differently in the Catalog (2.33) and the Student Handbook (2.44). To avoid misleading students, policies must be stated in full, not truncated. For example, the law school provided its full probation policy in its 2023 Annual Report, however only a summary of the policy appeared in the LLSSJ's Catalog.

To bring itself into compliance, the school must state its academic standards clearly, completely, and consistently across all publications.

**C. Rule 4.240(D); Guideline 4.3:** The law school is not compliant with Guideline 4.3, which provides that faculty members should participate in formulating, implementing, and administering academic policies and programs.

The Faculty Handbook states that the faculty has primary responsibility for setting and implementing educational policies through the Faculty Senate, a representative body consisting of one instructor from each of the four class years. Formerly, the Senate met monthly and played an important policy-making role, but it has not met since 2022. While the dean has charged Professor Don Kilmer with the responsibility to revive the Senate in the future, no timeline has been created for the Faculty Senate to meet, and faculty have been allowed to teach without the benefit of the standards, support, and training that the Faculty Senate previously provided.

To comply with Guideline 4.3, the school must reinstitute the Faculty Senate or a similar mechanism.

**D. Rule 4.240(D); Guideline 4.7:** The law school is not compliant with Guideline 4.7, which states that instructors must continually strive to improve their teaching skills and expertise in the subject(s) they teach.

The Faculty Handbook, updated in October 2023, addresses the duties and expectations of faculty, including participation in at least two annual faculty meetings and training exercises held as part of the school's faculty development program. However, no meetings or other development activities have been held since 2022 other than initial counseling of new instructors as to their basic duties.

LLSSJ has the institutional knowledge to mount such events, formerly held with assistance from the Faculty Senate. LLSSJ's senior instructors are well-versed in educational best practices and some instructors stated they missed the interaction they had with other faculty members at meetings formerly held, including Faculty Senate and all-faculty meetings, and would welcome the return of those events. The inspection team noted sound feedback from faculty on a sample of student exam answers and fair to excellent teaching strategies during class audits.

The inspection team also noted room for improvement in key areas. This is particularly important for LLSSJ's newly hired instructors, some of whom lack teaching experience, and because institutional structures for faculty training are not strong at the law school. Dean Amezcua also identified the need for faculty training in the use of learning tools, including Populi, Adaptibar, CALI (Computer Assisted Legal Instruction), and LexisNexis.

Similar feedback was provided to the law school in its 2018 inspection under the Accredited Law School Rules and Guidelines, and again when it was placed on probation in 2020, yet the school remains non-compliant in this area. To comply with Guideline 4.7, the school must implement a faculty development program.

**E. Rule 4.240(D); Guideline 4.8:** The law school is not in compliance with Guideline 4.8, which requires written procedures and regular evaluation of instructors based on listed criteria.

Although LLSSJ has a compliant written faculty evaluation policy, it does not appear to have implemented the policy since 2020, based on the team's review of the files provided by the law school. Any effort to simplify the evaluation process, an idea raised at the inspection, should be undertaken with caution to ensure that the process addresses the factors to be considered as outlined in the guideline.

To comply with Guideline 4.8 the school must implement a program of regular evaluation of instructor competence.

This area of concern was also raised in the law school's inspection in 2018.

**F. Rule 4.240(G); Guideline 5.17 and 5.18:** LLSSJ is not compliant with Guidelines 5.17 and 5.18, which state that a school must adopt sound scholastic standards and grading standards that ensure that students are evaluated honestly and realistically and that grades of different instructors teaching the same students are reasonably correlated.

The law school has not demonstrated that it has sound scholastic standards or grading standards, despite notice to improve its standards in its 2018 inspection report. For example, in 2021-2022 LLSSJ changed its grading system to increase GPAs, stating that the purpose was to help students compete for jobs; but this stands in opposition to the law school's need to realistically inform students as to their academic progress. Faculty must grade accurately, avoid grade inflation, and be trained in the methods of grading correlation and calibration. The school has stated its scholastic and grading standards in the Student Handbook and Faculty Manual and provided guidelines to help instructors understand how grading standards should be applied, but the evidence provided by the law school demonstrated that this policy was not implemented.

The overall soundness of grading practices since the 2018 inspection is called into question by the disparities in some grades awarded to the same groups of students over time, shown in correlation studies submitted with the self-study.

The school has not adhered to its stated policy of requiring regular grade correlation meetings by instructors teaching the same students. Gaps in data raise questions about the extent of meaningful oversight of grades. Charts submitted with the self-study include grades for each class year's courses, but correlations have not been evaluated mathematically or with regularity. As recognized in both the self-study and reports created by Dean Ohlson, the data show instances of inconsistency among grades given by instructors teaching the same students. Under Guideline 5.17, a wide disparity in the grades among several instructors teaching the same group of students is *prima facie* evidence of inadequate grading standards.

LLSSJ's grade analysis charts also show a tendency toward grade inflation and bar exam results suggest that grades could be calibrated more accurately. The minimum GPA to graduate was 2.0 through 2020-21, later raised to 2.33, but it appears that good standing should be raised still further. From 2016, all but one of the LLSSJ graduates who passed the bar exam had a law school GPA of at least 2.51. Until 2020-21, the average GPA of LLSSJ graduates passing the bar exam was 2.93 and the average GPA of those not passing was 2.55.

A review of the school's grading standards and practices is warranted, not only by the concerns raised above but also by the addition of many new faculty members and the recent changes in the law school's grading system and course structure. Adequacy of preparation for the First-Year Law Students' Examination should be a part of this review.

To bring itself into compliance, the school must take steps to ensure that grades are reasonably correlated and review its grading standards and practices to determine what changes, if any, are needed to give students a more realistic assessment of their likely success on State Bar exams. Similar concerns were raised in the law school's 2018 inspection.

**G. Rule 4.240(G); Guidelines 5.18, 5.20:** The law school is not in compliance with Guidelines 5.18 and 5.20. These guidelines require a school to set sound standards for academic standing, probation, disqualification, and graduation; to allow exceptions to academic standards only rarely and upon a clear showing of special circumstance and good cause; and to promptly identify and disqualify, through adequate screening procedures, those students who show an inability to meet those standards.

It appears that the law school has allowed many exceptions to academic standards without evidence that this was helpful to the affected students. LLSSJ provides two pathways by which students who have completed a year or more on probation without achieving good academic standing may avoid disqualification and remain enrolled despite poor academic progress. For example, under LLSSJ's automatic probation policy, students with GPAs of 2.32 to 2.22 are advanced automatically to the next academic year, even if they spent the prior year on probation. This violates Guideline 5.18, which states the law school must disqualify those students who have demonstrated they are not qualified to continue as soon as possible.

Similarly problematic is the Academic Standards Committee's (ASC) practice of allowing students to retake final examinations or submit additional work in an effort to raise their grades and avoid

academic jeopardy without demonstrating that their subject mastery has increased. Since its last inspection in 2018, there have been 18 cases in which the ASC granted students leave to retake one or more final exams (and in one case, also a midterm). In two cases, the ASC granted students leave to submit late/outstanding assignments and in one case, it granted the option to submit additional assignments. In most cases involving exam retakes, students take the final examination being administered when the course is offered again the following year, studying and paying tuition in the meantime. This practice undermines the integrity of LLSSJ's grading standards and does not satisfy the Guideline 5.18 requirement that a school identify and disqualify as soon as possible those students who have demonstrated they are not qualified to continue. It is also a violation of Guideline 5.20, which states students who do not meet the required grade average must be disqualified from the law school promptly.

A sound academic screening process provides timely and effective academic support and eliminates most unqualified students promptly, by the end of the first year or second year at the latest. In contrast, LLSSJ has allowed students to advance into their third and fourth years with inaccurate evaluations of their progress and questionable prospects of licensure. The school has not conducted studies to demonstrate that students with GPAs far below good standing, or who repeatedly fail to meet expectations, eventually earn the JD or license. Without evidence showing that their advancement practices of probationary students provide students with a reasonable opportunity to graduate or license, the academic screening practices appear unsound. LLSSJ is required by Guideline 5.21 to disqualify students who fail to pass the FYLSX within three administrations, but the school must have its own effective screening procedures to exclude the disqualified.

To bring itself into compliance, the school must amend its policies and practices to ensure that students who show an inability to meet academic standards are promptly identified and disqualified. In particular, the school must amend its policies on probation and disqualification to require the disqualification of students who fail to achieve academic good standing after no more than one year on probation and cease the practice of allowing students to raise their final course grades by retaking exams or submitting additional or late work.

**H. Rule 4.240(G); Guideline 5.19:** The law school is not in compliance with Guideline 5.19, which states that a law school must have a written policy clearly defining academic standing, academic disqualification, advancement in good standing, and the requirements for graduation. Once adopted, the policy must be followed, with exceptions being rare and then only on a clear showing of special circumstance and good cause, and meetings, and when an exception is granted, the law school must place in the student's file a memorandum of the reasons for the decision after carefully evaluating the student's circumstances and the applicable admissions and law school rules.

Although the Registrar has maintained some records, ASC decisions regarding petitions for advancement rather than academic disqualification have not been recorded regularly in permanent ASC minutes, nor have the reasons for exceptions ever been recorded in such minutes or in student files as required. Emails from some ASC members stating their personal views do not qualify as reasons for the group's decisions. Absent such documentation, the law school could not demonstrate that policy exceptions have been based upon the clear evidentiary showing, as required by the guideline. Further, in ASC emails, members have suggested that any future decisions to allow students to graduate without taking required courses would be outside the ASC's purview. On the contrary, the guideline requires exceptions to a school's academic standards, such as graduation requirements, to be made by a faculty committee.

To bring itself into compliance, the school must act to ensure that all decisions as to exceptions from academic standards are made by the faculty ASC and that the ASC's decisions, together with its reasons, are documented with evidence as required by the guideline, in permanent meeting minutes and, as applicable, student files.

**I. Rule 4.240(H); Guideline 5.26:** The law school is not in compliance with Guideline 5.26, which states that a school must not admit any student who does not appear to have a reasonable prospect of completing the degree program.

The law school must demonstrate that its written admissions policy is sound. While unaccredited law schools are encouraged to request LSAT scores, they are not required to do so; however, admitted students with LSAT scores below 140 frequently appeared as petitioners seeking relief from academic standards and very few were among those who have passed the bar exam since 2016. While the law school may choose to admit students with very low LSAT scores, the law school must then ensure that sufficient academic support and evaluation is provided such that these students have a reasonable prospect of completing the degree program and licensing. To demonstrate that its policy is sound, LLSSJ must review it regularly for effectiveness, making changes promptly as needed, making informed decisions about admissions, and ensuring that academic support appropriate to those accepted is provided.

To achieve compliance, the school must review its practice of admitting students with very low LSAT scores to determine what changes are required to meet the guideline, including a study of the extent to which such students, and all students, have taken and passed the FYLSX, graduated, and passed the bar exam.

**J. Rule 4.240(H); Guideline 5.34:** The law school is not compliant with Guideline 5.34, which states that applicants previously disqualified for academic reasons may be granted admission when there is an affirmative showing by the applicant that he or she possesses the requisite ability for the study of law and, in each case, signing and placing in the applicant's file a statement of the reasons for admitting the applicant.

The faculty ASC makes decisions as to admissions of previously disqualified applicants and has readmitted six students out of 11 total petitions since the law school's last inspection in 2018. The law school has not documented the reasons for readmissions for these six students though the guideline requires this, nor has it provided any evidence that it studies the outcomes of the decisions to inform the best course of action when future petitions are received.

To bring itself into full compliance with the guideline, the school must, in admitting any applicant previously disqualified for academic reasons, place in the applicant's file a statement of reasons for admitting the applicant, by the dean or admitting officer, as the guideline requires.

**K. Rule 4.240(H); Guideline 5.35(A):** The law school is not complaint with Guideline 5.35(A) and Business and Professions Code Statute 6060(h), which states that no transfer credit may be granted unless the applicant has passed the FYLSX or became exempt while attending an accredited law school.

The law school must review its transfer policy to ensure it properly evaluates whether or not the student has satisfied the First-Year Law Students' Examination requirement, whether through exemption or through taking and passing the exam. The law school is currently addressing several

situations in which this was not done, materially impacting the law students' progress toward graduation and licensure. The law school is working with these students actively to help them proceed toward licensure in a fair manner under the circumstances.

To comply with Guideline 5.35(A), the law school must carefully evaluate all of its transfer applicants to determine their proper status. The law school may request evaluations of law study completed to date to assist with this process.

**L. Rule 4.240(H); Guideline 5.36:** LLSSJ is not compliant with Guideline 5.36, which states that if the law school admits visitors, it must have a written policy to ensure that those admitted have the ability and knowledge to benefit from the course and that they will not interfere with the progress of, or be a detriment to, the regularly enrolled JD degree program students.

LLSSJ does not have the required policy although it indicated it has admitted such persons in the past.

To bring itself into compliance, the school must adopt and publish a policy on admission of visitors, auditors, and non-JD degree candidates that meets the guideline.

**M. Rule 4.240(I); Guidelines 6.2 and 6.4:** The law school is not compliant with Guidelines 6.2 and 6.4, which require a fixed-facility school to provide specified library resources in current and complete hard copy form, in a library within a reasonable distance from classrooms and accessible when convenient to students.

LLSSJ's library resources are not current and complete as they have not been updated since 2020. The self-study states the school relies on two alternative public libraries, but the school provided no evidence that either library satisfies all guideline requirements.

To satisfy these guidelines, the school must provide to the committee proof that it has returned to compliance by owning and maintaining compliant resources and clear evidence that at least one alternative library meets all requirements.

**N. Rule 4.240(K); Guideline 8.1:** The law school is not in compliance with Guideline 8.1, which states that a school must have adequate present and anticipated financial resources to support its programs and operations, including providing all educational services the institution represented it would provide, ensuring that all students admitted have a reasonable opportunity to get a degree.

While the law school does have oversight as to its finances and significant financial expertise experience through its governing board, it is unclear whether it has sufficient resources to ensure that those admitted have a reasonable assurance that the school has the means to provide an opportunity to earn a four-year degree. Financial oversight is provided by Board member and Treasurer Bill Long, a former business executive and software company founder with significant financial expertise. The board also includes a retired federal bankruptcy judge. Financial transactions are handled according to an Accounting Procedures Manual. Monthly financial services are outsourced under contract to Lisa Karr, who handles payroll, and Ben Hancock, CPA, who monitors credit card transactions, handles payments through bill.com, and prepares financial reports. The school's financial statements were last audited by Armanino, LLP, a local San Jose accounting firm, for the fiscal year ending June 30, 2021, at a time when LLSSJ was seeking WASC accreditation; LLSSJ later voluntarily withdrew its application for WASC accreditation.

In connection with the inspection, the school submitted copies of the Armanino audit report; monthly financial statements; and a document prepared by Treasurer Long entitled Analysis of Current Financial Status and History over the Past Five Years, dated October 27, 2023 (Current Analysis); and a Financial Review for Fiscal Year 2023-2024, dated December 31, 2023 (Financial Review).

As reflected in the Current Analysis and Financial Review, LLSSJ is under considerable financial pressure. Treasurer Bill Long has advised the Board and the inspection team that resources will meet expenses through the end of the current fiscal year ending June 30, 2024, and the Board has discussed financial contingencies, including the sale of the school or bankruptcy protection. It is unclear whether Treasurer Long's assessment takes into account the need to begin repaying an outstanding Small Business Association loan of \$146,000. Given Net operating income declined during 2020 and 2021, and there were large net operating losses in three of the last five fiscal years.

The school has been dependent largely on tuition income, although in the past some funds have been generated from donations, events, and Payment Protection Program loans available during the pandemic, but no longer available. Tuition income fluctuated slightly through 2022-2023 but declined steeply this year, perhaps, in part, due to the law school's decision to enroll one class versus the usual two classes. The law school voluntarily decided not to admit a January 2023 class and accepted a lower percentage of applicants for its fall 2023 class than in prior years as a percentage of total applicants. With tuition and fees of \$88,000 required to earn a JD degree, the school is one of the more expensive schools in its category, and the most expensive school that does not also offer aid through Title IV federal student loan participation.

In creating a budget for the current fiscal year, the governing board's budget projected to supplement the tuition shortfall with \$605,000 in income from other sources, including contributions, grants, professional classes, and events. This projection was based, in part, on a plan that was not implemented which would have hired a development director, as well as a plan to partner with public agencies to offer a legal education program to law enforcement officers, a longer-term proposition not yet planned that will would have required the committee's review. Therefore, these income sources were not realized, though the law school received a grant of \$100,000.

LLSSJ's financial circumstances, cost-cutting measures, or re-evaluation of its offerings appear to be in order.

LLSSJ has leased its facility since 2015 under an agreement that includes two five-year extension periods, the first of which expires in 2025. The Board has attempted to negotiate a waiver or reduction in the rent it pays for the law school facility, but no progress has been made.

Therefore, while LLSSJ can meet its obligations to fund the JD program until the end of this academic year, as of the inspection it is unclear how the school will be able to fund the remaining one to three years of instruction for students currently enrolled, including the students who enrolled as first-year students during the 2023-2024 school year. Recently, the law school met with students for the first time to advise them of the law school's financial status and the steps the school is taking to address it.



A letter provided to the State Bar asserts that the law school can request contributions from supporters, but it has not done so to date. After that discussion, all but one member of the first-year class withdrew from the law school.

To bring itself into full compliance, the school must demonstrate that it will have adequate financial resources to fund the remaining years of instruction for students currently enrolled, as required by the guideline.

## CONCLUSION

LLSJ is not compliant with six standards that are part of Unaccredited Rule 4.240, the key rule that sets forth the responsibilities of unaccredited law schools, as further described by the guidelines:

(B) Integrity, based on the listing of electives in its Catalog that are not frequently offered and setting forth academic standards stated inconsistently across publications

(D) Dean and Faculty, due to lack of faculty development training and evaluation to ensure faculty competency

(G) Scholastic Standards based on unsound grading practices and frequent exceptions to its academic standards in a manner inconsistent with the rules and guidelines, which undermines its ability to identify and exclude students who have demonstrated they are not qualified to continue.

(H) Admissions, due to its admissions and readmissions policies which do not ensure all students have a reasonable prospect of completing the degree program, and inaccurate analyses of pre-legal education and status of satisfaction of the First-Year Law Students' Requirement while both an accredited and unaccredited law school.

(I) Library, based on the fact that the library resources have not been updated since 2020

(K) Financial Resources, because it does not have the financial resources to support its programs and operations beyond June 2024, though there is still time for the law school to take action to allow for continued operation

It must also take action to comply with 16 of the Unaccredited Guidelines: 2.3, 2.9, 4.3, 4.7, 4.8, 5.17, 5.18, 5.19, 5.20, 5.26, 5.34, 5.35, 5.36, 6.2, 6.4, and 8.1.

At least seven of these compliance concepts raised were also identified as needing attention at the law school's last inspection in 2018.

The law school must also keep students and the State Bar informed as to its financial status.



May 28, 2024

The State Bar of California  
c/o Ms. Natlie Leonard, Principal Program Analyst, Office of Admissions  
180 Howard Street  
San Francisco, CA 94105

RE: February 2024 Periodic Inspection of Lincoln Law School of San Jose

Dear Ms. Leonard:

I am in receipt of the report memorializing the findings of the Unaccredited confirmation Inspection of Lincoln Law School of San Jose (the "School") conducted by the State Bar of California inspection team February 26 and 29, 2024, and I have shared the same with the School's Board of Trustees.

Lincoln will address below each of the "Compliance Issues with the Unaccredited Law School Rules and Guidelines Observed in February 2024 " in the order they were provided in the inspection report. As set forth below, Lincoln Law School of San Jose accepts this report and will clarify in any section where we believe we are compliant. Unless otherwise indicated, we have provided updates or compliance enhancements that have occurred since the inspection visit or those which are planned to occur in the near future. The progress of any planned updates or compliance enhancements will be provided in the School's annual report, if not sooner.

**A. Rule 4.240(B); Guidelines 2.3(A)-(C):** All elective courses were added back to the catalog under the prior administration. We have reverted to our practice of not listing the electives in the catalog, but rather notifying students which electives will be available and providing the description in advance of the semester that they will be offered. The preliminary Catalog for 2024-2025 is attached with several amendments per the direction provided from the inspection. **(See 2024-2025 Course Catalog pgs. 8-13)**

Beginning on April 5, 2024, the School began communication to students, alumni, and faculty about its financial difficulties. The commencement of this effort was approved by the Board of Trustees at its March 26, 2024 meeting, at which time the Board provided directions as to the content and scope of the messaging. The School immediately facilitated an open forum on April 8, 2024 with the students so their concerns could be heard and clarity of purpose could be provided. At that meeting the Dean committed to providing further updates in approximately two weeks but would also begin communicating with other law schools to investigate transfer options available for students.

On April 22, 2024, a follow up communication was sent to students to share additional information about the School's plan for continued operations and the status on the Deans communication efforts with other law school deans. The plan for continued operations was at that time referred to as a "teach out," but has since been clarified with continuing students. On April 23, 2024, another open forum was held with students and included several members of the Board of Trustees.

On May 7 and May 8, 2024, the administration held another open forum with the current 3L and 2L students respectively where further updates appropriate to their class level were provided as well as information regarding the transfer process and how the administration could support the students. Copies of the various e-mail communications to students are attached to this response as well as the talking points communicated in the May 7 & 8 class forums. **(Appendix A)**

Since that time the Dean has held numerous individual meetings with continuing students to discuss their individual process for transferring and communicated with not less than eight individual deans of other law schools to assist with this process on their behalf. Additionally, the administration has held several phone and Zoom conversations with State Bar staff to clarify the confusion which has been communicated by a few individual students looking for support. The Dean has also worked with the Board to develop a sound financial strategy for continued operations and organized meetings to pursue alternate locations for the School which would support this strategy.

The current financial plan for continued operations is being communicated with students this week. It will outline many of the details that you will see in item “N.” Below which was authored by Board Treasurer Bill Long on behalf of the School’s Board of Trustees.

As to the FYLSX Exam, the School has continued to be clear on the exemption for our current 2L students as well as the requirement for our 1L students to take the FYLSX exam at the conclusion of their first year. This requirement was documented in all pertinent communications and disclosures and appears in the Handbook and Course Catalog. Moving forward, any incoming student will be required to have a meeting with the Associate Dean of Academics and Instruction to discuss this requirement in particular and to have them sign an additional declaration.

**B. Rule 4.240(B); Guidelines 2.9(A)-(B):** Lincoln’s requirement for good standing is 2.33. The Student Handbook previously submitted for the inspection incorporated a new level of “Academic Warning” for Students who achieve a cumulative GPA under 2.44. This is an academic support mechanism to let students know they are nearing the threshold of 2.33 GPA which is required to advance to the next year of instruction or to graduate. This category is solely for the administration to identify students who may benefit from additional support for their success. We removed the abbreviated academic policies from the catalog. They remain outlined in full in the Student Handbook. This will help ensure that we do not provide conflicting information either by omission or by error when policies are updated. The Student Handbook for 2024-2025 has been amended for clarity. **(See attached updated pages from the 2024-2025 Student Handbook, Appendix B)**

**C. Rule 4.240(D); Guideline 4.3:** Beginning in the Fall of 2023, Professor Don Kilmer was given the project to reconstitute the Faculty Senate. He was given permission to propose a new interpretation of its composition and business model to create a more inclusive Faculty Senate. The intent is to leverage online technology to permit asynchronous participation. In February of 2024 a re-draft of the Lincoln Law School of San Jose Faculty Senate Bylaws was presented to all current and recent Lincoln faculty. The environment has been built out using our Populi platform. They have been approved by the current membership; however, Professor Kilmer will be taking the summer to increase participation by our busy

faculty constituency. The attached pdf shows the new edits of the old bylaws for context. A screenshot of the Populi page is also attached. **(Appendix C and D)**

**D. Rule 4.240(D); Guideline 4.7:** Lincoln understands the importance of both faculty involvement and their continued development. With the urgency of the administrative transition which occurred in August 2023 and the finalization of Faculty Handbook by the new administration, this was lacking in content and action. Anecdotally, many of the experienced faculty served as mentors to the new faculty as well as the new administration up to and after the new Dean of Academics and Instruction was hired. While circumstantial, Lincoln will take this opportunity to applaud the efforts of all the faculty of the 2023-2024 academic year. To a person, their wisdom, professionalism, enthusiasm, and adaptability was on full display and was invaluable to the success of the students this year.

A goal of the re-constituted Faculty Senate is for the faculty themselves to have a voice in their own development and for more content and discussion to occur as their busy schedules permit. To enact this involvement on the part of the Faculty Senate the School we will schedule at least two formal Faculty meetings:

- In August before the Fall Semester begins.
- In January before the Spring Semester Begins.

The school also plans to build out assessments and best practices to determine faculty development needed in areas including:

- Training in policies and educational standards.
- Faculty mentorship for new instructors.
- Training in educational tools like Lexis, ExamSoft, CALI, AdaptiBar, etc.
- A online forum to share pertinent publications and teaching strategies.

**E. Rule 4.240(D); Guideline 4.8:** Per the school's compliant policy, and based on prior direction from the committee, Faculty evaluations will commence during the Summer 2024 session. Faculty evaluations will be conducted by the Associate Dean of Academics and Instruction using the form that we have in place.

Form design and criteria may be evaluated by the Faculty Senate for instructors to help determine what is important in evaluating themselves and their peers.

**F. Rule 4.240(G); Guideline 5.17 and 5.18:** The grading and scholastic policies are among the first items that will be brought to the Faculty Senate for review and modification of our current policies and practices. They will also consider and implement a policy to:

1. Create writing standards of what to expect at each level.
2. Plan how to teach the students to write: incorporate into the evening or a separate class.
3. Remove grade inflation from the syllabus and adhere to the policy of a 5% participation cap.
4. Modify for clarity the policy of giving "no grade lower than 59" to ensure that grades are not being artificially inflated.
5. Correlate grading practices among instructors before and after grading of exams for students in the same cohort.

Lincoln fully understands the expectations of the State Bar in this area. We also understand that having a competent grasp on the issue is only half of the solution. We are committed to evolving the environmental culture that has been allowed to permeate. We have also seen some growth in the faculty. There are several courses and instructors who are making strides in the use of substantive and effective class assessments and rubrics. We are hopeful that we can build the positive momentum which we have begun in the last year.

**G. Rule 4.240(G); Guidelines 5.18, 5.20:** We have now removed all language suggesting that students may petition for relief from the Academic Standards policies. We removed all language suggesting that students may petition for relief from the Academic Standards policies. In Section III, Item A, Paragraph 3 of the 2023-2024 Student Handbook, it is clear that students who do not meet the required cumulative GPA of 2.33 after having been advanced on probation will be disqualified. Also included, however were instructions for submitting petitions to request relief from such a decision. We have now removed all language suggesting that students may petition for relief from the Academic Standards policies.

What remains are generic instructions for submitting a petition for relief from any policy with the understanding that students may choose to use that in response to any academic action. Removal of the specific types of petitions helps reduce confusion in this area. The ASC will be instructed that receipt of a petition does not require their review if it goes directly against the policies as written.

Lincoln corrected the language allowing students to repeat an exam for an improved score when the policies were re-written for 2023-2024. This is not an option for the ASC to allow for the current year and no students repeated exams during 2023-2024 to replace grades from the previous year.

The inspection report states that “it appears that the law school has allowed many exceptions to academic standards”. Under our previous Academic Standard policy, some students were permitted to petition to retake a course or an examination if a course grade was below a certain standard. Many of these students were not considered on probation. Probation came about only if their cumulative GPA fell below 2.33 (previously 2.0 on our old grade scale). Previous records show students who were not enrolled for a full course load and the “year” was defined as the full course load for a level rather than an academic year (all 2L courses vs 2017-2018). Our updated policies previously provided have already eliminate both of these practices.

**H. Rule 4.240(G); Guideline 5.19:** A new ASC committee is in the process of being formed to review petitions that may be filed after we analyze the results of the current academic year. The committee will maintain a record of permanent minutes and will make decisions based on evidence rather than personal views, and the student's file will be documented.

**I. Rule 4.240(H); Guideline 5.26:** We believe that our admissions rubric, which was created in Spring of 2023 and shared in the inspection documents, provides a competent way to evaluate our applicants. It also aligns with our mission to provide access to those, who are otherwise qualified, whose socio-economic status may preclude them from incurring the expense of registering with the LSAC, taking the LSAT exam multiple times and paying to provide their report from the LSDAS. Our small 1L class in the

Fall of 2023 prevented us from properly evaluating this tool, however, we are reviewing our admissions practices to ensure their continued compliance.

The School acknowledges that admitting those with low LSAT scores requires the responsibility to ensure that sufficient academic support and evaluation is provided. We take issue, however, with the report's assertion that Lincoln graduates with in describing those a an LSAT below 140, "very few were among those who have passed the bar exam since 2016." In fact, graduates since 2016 with sub-140 LSAT scores make up 30% of Lincoln Bar passers.

The School will not minimize the need for further statistical analysis called for in this report and fully understands the quantitative date inherent in below-average LSAT scores. As reported in our Self-Student materials, however, the average LSAT score for Lincoln graduates since 2016 who have passed the Bar Exam is 143.6 and the average score for non-passing/non-taking graduates in 139.8. It is the School's hope that, in the interest of those 97 Lincoln graduates and the hundreds of other State Bar-approved law schools, that the Committee of Bar Examiners seek to the understand the rich qualitative data which can be found in hearing the impact that a legal education has had on their lives.

**J. Rule 4.240(H); Guideline 5.34:** The school acknowledges that, in admitting those previously disqualified from Lincon or another law school for academic reasons, the law school must document the reasons for admitting or readmitting the student, as applicable. As stated above, the school understands that in serving its mission by using a wholistic approach to admissions requires thorough consideration as well as documentation for those admitted in the rare circumstances. We will continue to employ our Academic Standards Committee as an added layer to the compliant admissions of these applicants with clear expectations as to these applicants reasonable prospect of completing the degree program.

**K. Rule 4.240(H); Guideline 5.35(A):** Our catalog correctly states that transfer credit will only be considered upon a determination as to whether the student has either taken and passed or earned an exemption from the First Year Law Students' Examination (FYLSX).

Our first catalog as a registered, unaccredited school was also updated to require a letter of good standing from the transfer candidate's previous law school to aid in determining whether the student is required to take the FYLSX prior to consideration of any transfer credit. We are also aware that we may require the student to seek an evaluation of prior law study if there is any question as to their need to take the FYLSX prior to admission and before awarding transfer credit. The School has had many parts of or entire conversations with the State Bar Staff on this subject.

**L. Rule 4.240(H); Guideline 5.36:** The School's previous administration removed the admissions criteria for visitors and auditors as they lacked certainty in their understanding of the Unaccredited rules and Guidelines.

The sections were added back to the catalog. The Catalog has been updated to include our policy on Auditors, Visiting Students, and non-JD Degree Candidates.

Will develop the policy to ensure that those who are admitted as auditors and non-JD Degree Candidates have the ability to benefit from the course and that they will not interfere with the progress of, or be a detriment to, the regularly enrolled JD degree program students. ***(See 2024-2025 Course Catalog pg. 17)***

**M. Rule 4.240(I); Guidelines 6.2 and 6.4:** The law school intends to apply for a temporary waiver until financial stability can be attained, and the law school will have the means to make the required updates.

The law school will continue to get clear evidence from one of the alternate libraries.

**N. Rule 4.240(K); Guideline 8.1:** ***(See next 2 pages authored by Board Treasurer Bill Long on behalf of the School's Board of Trustees)***

## **Response to Paragraph N. Rule 4.240(K); Guideline 8.1 by Board Treasurer on May 28, 2024**

Since the meeting on February 29, 2024, the Board of Trustees has taken action to respond to concerns expressed by Inspection Team member Heather Georgakis. The Treasurer, appointed in January of 2023, and the current Board, constituted in February of 2023, have been on a steep learning curve with respect to the financial condition and history of Lincoln Law School and the course of action necessary to reverse several years of financial decline.

After reviewing financial contingencies, the board concluded that the best course of action was to devise a workout plan that when executed would insure adequate law school funding for the next four years. Implementation of this plan will provide credible visibility to students so that they would be able to rely on the school being in operation for the duration of their legal education. This plan would require fundraising by the board to the extent that reliance on tuition would be reduced to 80% of revenue. Pledges for donations of \$100,000 by trustee Sally Anderson and \$125,000 by a San Jose foundation have recently been received to provide funding for FY 2025. Further, the Chair already has firm donation commitments of \$225,000 and \$125,000 respectively for Fiscal Years 2026 and 2027.

To insure that this fundraising productivity of the board will be continued into the future without relying exclusively on Board Members and their contacts, a Director of Development will finally be hired at the beginning of the next fiscal year to work with the board in establishing and leveraging a donor data base. This new position will launch initiatives that will begin to realize Grant revenue in Fiscal Year 2026 and recurring but modest Special Event revenue in Fiscal Year 2025. The Professional Training revenue category line item is a placeholder in the budget until a plan has been completed and approved.

The steep decline in tuition revenue for this fiscal year was primarily a consequence of the State Bar removing accreditation for the law school. Jason Amezcua, Associate Dean of Admissions at the time, presented at the Board Meeting on March 28, 2023, a projected enrollment of 35 for 1L. This number continued to decline until the Board Meeting on July 25, 2023, when Jason indicated that most of the prospects in his pipeline would not complete the enrollment process primarily because of the school was no longer accredited. The law school dean, Arthur Jue, failed to address this challenge faced by his admissions dean. The final result was a record low of only 6 1L students requiring only one class.

The Board was able to negotiate a 50% reduction in rent from March through June 30, 2024. On that date the Board will meet with the landlord to discuss possible continuation of the reduction until expiration of the lease next year. Also, the Board is looking at alternative future locations for the school where the rent would be in the ballpark of half the amount that has historically been paid.

Since the school's financial statements were last audited for the fiscal year ending June 30, 2021, the plan is to have an audit performed by Armanino, LLP, for the fiscal year ending June 30, 2028, if not earlier. Also, the Small Business Administration loan of \$150,000 that was obtained in 2020 has been paid down to \$142,000. Budgeted payments are projected to extinguish the loan and accrued interest during Fiscal Year 2028.

Enclosure: Lincoln Law School Budget Projections for Fiscal Years 2025 thru 2028