



The State Bar of California

OPEN SESSION
AGENDA ITEM
4.3 JULY 2024
BOARD OF TRUSTEES

DATE: July 18, 2024

TO: Members, Board of Trustees
Sitting as the Regulation and Discipline Committee

FROM: Melanie J. Lawrence, Program Director, Office of Professional Support & Client Protection
Isabel Liou, Attorney, Office of Professional Support & Client Protection

SUBJECT: Request for Approval of Proposed Amendment to Los Angeles County Bar Association Mandatory Fee Arbitration Rules: Filing Fee Schedule

EXECUTIVE SUMMARY

Statutorily mandated arbitration of attorney-client fee and cost disputes may be conducted by a local bar association. Fee arbitration rules of procedure promulgated by a local bar association are subject to review by the Board of Trustees. The Los Angeles County Bar Association (LACBA) seeks to amend its filing fee schedule and raise the maximum filing fee from \$5,000 to \$7,500. The Mandatory Fee Arbitration (MFA) program's presiding arbitrator and staff have reviewed LACBA's proposed rule amendment and determined that it comports with the [Guidelines and Minimum Standards for the Operation of Mandatory Fee Arbitration Programs](#) (Minimum Standards) as approved by the Board of Trustees.

This item requests the Board of Trustees' approval of LACBA's proposed amendment to rule 14 of its Rules of Procedure for Fee Arbitrations, as set forth in Attachment A.

RECOMMENDED ACTION

Staff recommends the Board of Trustees approve LACBA's proposed amendment to its mandatory fee arbitration filing fee schedule, raising the maximum filing fee from \$5,000 to \$7,500.

DISCUSSION

Under Business and Professions Code section 6200(d), bar associations are authorized to sponsor MFA Programs. Local bar programs' rules of procedure must comply with Business and Professions Code sections 6200–6206 and the minimum standards adopted by the State Bar Board of Trustees. The Board's approval of a bar association's rules of procedure gives that program jurisdiction to arbitrate fee disputes submitted under the auspices of the MFA program (Minimum Standards, para 1).

[LACBA's MFA rules of procedure](#) were last approved by the Board in May 2019, but its MFA filing fee schedule was last amended in November 2002. LACBA seeks to revise rule 14 of its arbitration rules of procedure to increase the maximum filing fee from \$5,000 to \$7,500; all other aspects of the filing fee schedule remain unchanged. For fee arbitration applicants who are unable to pay the filing fee, LACBA offers the possibility of a filing fee waiver. At present, five bar association programs' filing fee schedules¹ charge a maximum filing fee of \$7,500.²

LACBA's proposed amendment appears in rule 14(b) as follows:

14. FEES AND REQUESTS FOR WAIVER OF FILING FEES IN CASES SUBJECT TO ARBITRATION

- a) The Board of Trustees of the Los Angeles County Bar Association establishes the filing fee schedules. The schedules may be obtained by contacting the fee arbitration program staff.
- b) The filing fee schedule for arbitration is based on the amount in dispute as follows:
 - i. Fifty dollars plus five percent (5%) of the amount in dispute when the total amount in dispute is less than \$10,000.
 - ii. Six percent (6%) of the amount in dispute when the total amount in dispute is \$10,000 or more but less than \$20,000.
 - iii. Seven percent (7%) of the amount in dispute when the total amount in dispute is \$20,000 or more, with a ~~\$5,000~~\$7,500 maximum filing fee...

State Bar staff and Presiding Arbitrator Clark S. Stone have determined that LACBA's proposed amendment to the filing fee schedule complies with Business and Professions Code sections 6200 et seq. and the Minimum Standards, and therefore recommend that the Board of Trustees approve LACBA's mandatory fee arbitration rule 14 as presented in Attachment A.

¹ The five county bar association programs are Monterey, Sacramento, San Diego, Santa Clara, and Sonoma.

² The State Bar MFA program's maximum filing fee is currently \$5,000, but the July 2024 item titled "Request for Approval of Mandatory Fee Arbitration Filing Fee Increase" seeks to implement a tiered filing fee schedule with maximum filing fees based on the amount in dispute, ranging from \$5,000 to \$20,000.

PREVIOUS ACTION

None

FISCAL/PERSONNEL IMPACT

None

AMENDMENTS TO RULES

None

AMENDMENTS TO BOARD OF TRUSTEES POLICY MANUAL

None

STRATEGIC PLAN GOALS & IMPLEMENTATION STEPS

None – core business operations

RESOLUTIONS

Should the Board of Trustees, sitting as the Regulation and Discipline Committee, concur, it is:

RESOLVED, that the Board of Trustees, sitting as the Regulation and Discipline Committee, hereby approves the Los Angeles County Bar Association's amendment to mandatory fee arbitration rule 14, in the form attached as Attachment A, as being in compliance with Business and Professions Code sections 6200-6206 and the Guidelines and Minimum Standards for the Operation of Mandatory Fee Arbitrations.

ATTACHMENT LIST

- A.** Rule 14 of the Los Angeles County Bar Association Attorney Client Mediation & Arbitration Services Rules for Conduct of Mandatory Arbitration of Fee Disputes Pursuant to Business and Professions Code § 6200 et seq