National Center for Access to Justice

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Via email to sjud.fax@sen.ca.gov

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Chairperson Umberg & Members of the Senate Judiciary Committee 1021 O Street, Room 3240 Sacramento, CA 95814

Re: Opposing Assembly Bill 2958, Sec. 3, Section 6034.1(a)(3), (4)

Dear Chairperson Umberg and Members of the Senate Judiciary Committee:

The National Center for Access to Justice (NCAJ) submits this letter in strong opposition to the provisions in Judiciary Bill 2958 that would preemptively and legislatively curtail deliberations and recommendations of the Closing the Justice Gap Working Group regarding California's proposed "regulatory sandbox," particularly with respect to discussion and funding of subjects that have the potential to prompt alteration of the state's Unauthorized Practice of Law (UPL) rules. (Bill 2958, Sec. 3, Section 6034.1(a), (3) and (4).) These provisions run against the highest principles of the legal profession, interfere with the efforts of everyday Californians to meaningfully obtain access to justice, and encroach on speech protected under the First Amendment.

In submitting this letter, NCAJ is not suggesting that California do away with its UPL law entirely, but rather is urging recognition that UPL has an overly broad scope that sweeps up worthwhile nonlawyer interventions that would provide competent and needed help to those unserved by lawyers, and that, with appropriate safeguards, would not harm users or the interests of the legal profession which has been unable to fill these needs. The California Bar's plan to review of the scope of the UPL rules in a controlled, evidence-based regulatory sandbox or through specific experiments and pilot programs well serves the interests of the public and supports, not undermines, the efforts of the legislature and the bar to provide meaningful and effective access to justice to all Californians.

I. Introduction

The National Center for Access to Justice (NCAJ) is a national nonprofit organization dedicated to expanding access to justice in the United States. We work to ensure that people and groups can learn their rights, assert their claims and defenses, obtain a fair resolution under the rule of law, and enforce the result.¹ In submitting this letter, we are reminded of California Chief Justice Ron George's observation to the California legislature in 2001: "If the motto 'and justice for all' becomes 'justice only for those who can afford it,' we threaten the very underpinnings of our social contract."²

II. Importance of Access to Justice

At root, access to justice is the meaningful opportunity to be heard when in need of the protection of the law. It is unavailable to millions in our society, but it is important to all. It is often least available to individuals who are poor and to people living in marginalized or excluded communities.³ As we write this letter, the pandemic has made life more difficult for millions of people, and underscored the need for access to justice, especially for those already living on the margins and in the low-income communities that have been among the hardest hit.

In the United States, people experience an estimated 150 million to 250 million new civil justice problems every year.⁴ Despite a nearly four-fold increase in the number of lawyers in the US since the 1970s, the access to justice crisis has only deepened. Notwithstanding significant increases in legal aid and pro bono, the majority of people do not get help with their legal problems. To meet the justice needs of everyday Americans would require an estimated 200 million hours of pro bono service annually, or an increase of more than 25 times the current funding for civil legal aid.⁵ It is impossible to meet the justice needs of Californians with lawyers alone, and it is impossible to scale the legal assistance required to address the access to justice crisis under existing UPL rules and other regulatory constraints.

This is why the Closing the Justice Gap Working Group exists, and why it should be allowed to continue its work publicly and transparently to ensure meaningful alternatives to addressing the access to justice crisis in California without protectionist interference.

III. NCAJ's Mission and Perspective

At NCAJ, our work enables us to understand and appreciate the nation's infrastructure of justice, both in its strengths and weaknesses. We are a nonprofit national organization housed in a leading law school and university. We do not have a financial stake in the outcome of the Closing the Justice Gap Working Group's recommendations: we are not investors in legal technology, we are not private sector lawyers, we do not own a management consulting or accounting firm, and we are not a company with a business model that includes nonlawyer paraprofessionals.

Rather, NCAJ is a nonprofit organization relying on data and social scientific research, and on evidence-based policies and practices, to expand access to justice. NCAJ's Justice Index (NCAJ.org) tracks and ranks the performance of each state in establishing selected best access to justice policies and practices. Initiated in 2014, and renewed most recently in 2021, the Justice Index is the go-to source for policies improving access to justice used by the courts, the bar, the legislatures, the academy, the press, other justice system stakeholders, and the public at large. In addition to coverage in the press, in journals, and in various reports, NCAJ's findings have most recently been relied on by Attorney General Merrick Garland in *Age of Covid-19, A Roundtable Report*,⁶ the document supporting the White House's restoration of the US DOJ's Office on Access to Justice in 2021.

In the Justice Index, NCAJ tracks and elevates numerous and diverse state-level policies, including:

• A target ratio of 10 free civil legal aid lawyers for every 10,000 people in the state with incomes below 200% of federal poverty;

- The guarantee of a civil right to counsel in eviction proceedings, and in other matters that implicate basic human needs;
- Rules that support and expand access to pro bono counsel;
- Lay navigators in the courtrooms;
- Guidance to judges to advise unrepresented litigants of potentially dispositive legal and evidentiary issues;
- Authorization of court administrative staff to provide instruction and assistance to unrepresented litigants;
- Rules for assuring the provision and quality of foreign language interpreting and sign language interpreting;
- Waiver of filing fees (and other court fees) for litigants who are indigent; and
- Accommodations for people with disabilities.⁷

At NCAJ, we believe that lawyers perform an essential role in our civil society and are a bulwark of our democracy, but we recognize that many services currently denominated "legal assistance" can be provided competently by people who are not lawyers but for overly broad UPL rules. Our role is unusual in the legal community in that we support traditional models of legal representation, such as civil legal aid organizations, best laws and policies for pro bono lawyers, and civil rights to representation, as well as, at the other end of the continuum,⁸ innovative self-help models that include technologies for people without counsel, deployment of Court Navigators in courtrooms,⁹ and guidance for judges and court clerks on assisting people without counsel. Our activities in urging a reconsideration of the scope of the UPL rules have included the following:

- In 2013, we guided a process in the Professional Responsibility Committee of the New York City Bar Association that produced a report, *Narrowing the "Justice Gap": Roles for Nonlawyer Practitioners.*¹⁰
- In 2014, we co-authored (with Richard Zorza) an analysis of *New Roles For Non-Lawyers To Increase Access To Justice*.¹¹
- We served on a Committee appointed by the Chief Judge of the State of New York¹² that developed the model of Court Navigators, now established in multiple jurisdictions in the United States.¹³
- We submitted comments in support of the "regulatory sandbox" and related "paraprofessional" initiatives in Arizona, California, and Utah, and we have written publicly about the importance of the working group processes in California.¹⁴
- We researched and authored two reports on the impacts of UPL rules on people seeking legal assistance from practitioners who are not lawyers, discussed below: i) *Working with Your Hands Tied Behind Your Back: Non-Lawyer Perspectives on Regulatory Reform* (2021),¹⁵ and ii) *Protection or Protectionism? "Unauthorized Practice of Law" Enforcement in California* (2022).¹⁶
- We submitted an amicus brief in support of plaintiffs in *Upsolve v New York*, a lawsuit in which a federal judge recently enjoined the State of New York from enforcing overly broad UPL rules on First Amendment grounds.¹⁷

IV. Opposition to the Bill

The ongoing access to justice crisis puts people at the mercy of powerful antagonists in a justice system that does not yet deliver on its promise of equal justice. NCAJ's Justice Index reports only

0.72 civil legal aid attorneys per 10,000 low-income people in California, placing the state below the national average and well behind the goal of 10 per 10,000 that is the benchmark. As we explain in greater detail below, our research findings highlight the importance of reconsidering the scope of the UPL rules. Many of the people we interviewed for our reports described how the UPL rules interfere with the efforts of people to obtain basic help with their life challenges and legal problems. We see in this context that the regulatory sandbox would provide an essential, evidence-based, opportunity to learn how best to respond to the basic legal needs of everyday Californians.

A. NCAJ's report, Working with Your Hands Tied Behind Your Back: Non-Lawyer Perspectives on Regulatory Reform

In this report, we interviewed people across the country whose positions involve working closely on the front lines with people seeking a variety of human and informational services. We asked these service providers and community advocates – librarians, legal document assistants, social workers, community organizers, tenant advocates, and others – to share their perspectives on the kinds of legal problems their beneficiaries encounter, and on whether the UPL rules pose any obstacle to their work.

What we learned was surprising to us. These experts told us they are rarely asked to provide formal legal representation, but instead find they are routinely asked basic questions that touch on the law in a variety of ways, often very mundane. They explained they usually decline to respond because of concern that providing any legal advice at all would run afoul of the UPL rules. Their observations inform our view that, with modest training, they would potentially be well-situated and well-equipped to provide the legal services that are the focus of the requests that come to them. We share several of their observations below:

- Legal Document Assistant (LDA) in California. This individual described many of her clients this way: My firsthand experience here is, people come to me when they are fed up and frustrated with the self-help services [offered to self-represented litigants by the court] because it will not provide any kind of legal advice, they are tight-lipped. People are blowing up, frustrated, I just attended this class and wasted hours, what do you *mean* you are still not accepting my documents! She went on to lament the apparent absurdity of rules that prevented her from giving even the most basic legal advice. She asked rhetorically, "How is society benefited by them not knowing that their landlord can't just change the locks?"¹⁸
- Director of non-profit that offers financial counseling and debt management help in Utah. This director explained that her organization's client base includes many unrepresented alleged debtors. She described a clamoring for basic legal advice that she and her non-attorney staff were not allowed to offer:

We have so, so many clients that are in the dark and honestly, my stance in leadership for several years now has been to very strictly and firmly tell my counselors, "do not give them legal advice," because so many of our clients want it. That's the first thing many of them ask for. We can't tell them, "pay this bill but don't pay that one," but so many of them really, really want us to make that decision for them. There is a lot of advice we could give as long as I had some security that it wouldn't come back and shut us down as an organization...Sometimes we *know* they need bankruptcy, they cannot repay the debt in any way, and they have to file for bankruptcy. But we can't say that. If we could just remove that red tape and say, "you should file for bankruptcy, here are some attorneys." Conversely, sometimes a client is adamant that they want to file for bankruptcy but we know it's a very poor decision for them, I'd like to tell them, *don't do that*, you're going to destroy your credit for seven years, a settlement would be a better option.¹⁹

• Head of librarian patron services in a New York library. This librarian said that he and his staff regularly encounter patrons who are desperate for help with various civil legal matters, from probate issues to immigration cases. Many ask for help – from filling out forms to understanding the content and import of those forms – that would put librarians dangerously close to the line on prohibited legal advice. For example, he explained, "What is good advice for trying to get your court date moved up? That's a common one. Who should they talk to? What should they say?"²⁰

UPL rules permit non-lawyers to share "information" about what the law says, but not "advice" about how the law relates to their own situation. That line is not always easy to identify. The librarian lamented that the blurry line between allowable help and forbidden "unauthorized practice of law" means that even when librarians might be on safe ground, "a lot of librarians just won't help…they don't feel comfortable [helping] period."²¹

It is apparent in the Report that a strong claim exists that the UPL rules should be reformed or narrowed to enable frontline social services workers to more freely provide the support that is needed. This model should be tested promptly and regulated based on evidence. The regulatory sandbox offers this essential experimental opportunity and can be modeled on the type already approved in Utah, where trained nonlawyers are providing legal advice and representation with no evidence of consumer harm.

B. NCAJ's Report, Protection or Protectionism? Unauthorized Practice of Law Enforcement in California

In this report, NCAJ interviewed practitioners in California who received cease and desist letters from the California Bar that directed them to cease engaging in UPL. We asked these people for their perspectives on whether the process is fair and working well. In response, they raised a number of concerns, including that the charges against them were unclear, the consequences of unjust charges are sometimes permanent, complaints are often triggered by adversaries, and complaints are rarely based on allegations of actual harm. These concerns raise deeper questions about whether some of the activities targeted under the UPL rules are actually activities that should be allowed – an investigation of this question is the intended work of the sandbox under consideration within Closing the Justice Gap Working Group. Among the problems we identified were the following:

• *Lack of clarity of charges.* One conspicuous problem we discovered is that the Bar does not publish the cease and desist letters, nor any information about the kinds of UPL activities in which the named individuals allegedly engaged. Consequently, neither consumers nor those

seeking to assist them have a clear sense of the scope of UPL, and of UPL enforcement -what conduct is permitted, prohibited, or considered harmful by the Bar.

- *Lasting unjust consequences.* People who commit minor or technical violations have their names published and linked to the violation, but without indicating whether they caused harm or acted dishonestly. The screen appears to be quite broad. For example, NCAJ interviewed one former state official who was found to be a UPL violator because a consulting firm for which she worked gave her the job title of "counsel." She and her employer immediately moved to change it, but any internet search of her name now prominently features her as a UPL violator.²² The Bar does not appear to track these such meaningful distinctions.
- *Complaints prompted by adversaries.* We also learned that the use of cease and desist letters in California is largely driven by public complaints. According to OCTC this is in large part a function of resource constraints. While the office does engage in public education efforts, it told us that it does not have the human or investigative resources to take a more proactive approach to discovering harmful UPL violations. "If we had more resources, I suspect we'd be more proactive in going out there and looking for violators," one official told NCAJ. "Our resources essentially just allow us to investigate the cases that are brought to us."²³

NCAJ interviewed several non-lawyers, and also some lawyers, who said that the complaints against them, or, their clients, were brought by lawyers rather than consumers alleging harm. Some claimed that the complaints against them were brought by competitors attempting to put them out of business. As one California attorney who had helped several non-lawyers with UPL investigations put it: "What I don't like about that is, it's unfair competition. It's for a business reason and not really because of the unauthorized practice."²⁴ Some paralegals and legal document assistants told NCAJ that their client's opposing counsel in a legal dispute threatened to report them for UPL activity. They felt that this was a strong-arm tactic aimed at disempowering their own client. One independent paralegal described the problem this way:

It's totally unfair because once an opposing attorney realizes it's a paralegal helping the other side, he can just say hey, cut it out or I'm going to call up the state bar and tell them you are committing UPL. That used to happen to me five, seven times a year... [UPL rules] were created to protect the public. But when you look at all these cases brought to the state bar, it doesn't match up with that goal. I just think the UPL practices right now are being misused and providing a disservice to consumers.²⁵

• *No allegations of harm.* We also found that several of the people we interviewed were frustrated by an investigative process they described as incurious about the actual nature of their work, and in particular whether they are providing good service or causing consumer harm. As one non-attorney who the Bar ultimately found to be engaged in UPL activity put it:

The Bar was 100% uninterested in whether we were competent, whether the outcome for the consumer was positive, anything like that. We did try to introduce facts about how our customers benefit and how good our service is. But those were just ignored. They did not want to know, for example, how our fees compare to an attorney's, or how good our outcomes are...The lack of interest about the consumer needs and the consumer outcomes is really striking.²⁶

The problems uncovered in our Report about UPL enforcement – the lack of sufficient clarity, the harm to reputations, the unreliability of complaints lodged by adversaries, the lack of allegations of actual harm – point to a need for further inquiry. Much as with the concerns raised in our Report on the perspectives of social services providers, the concerns raised in our Report on enforcement support the call for the Closing the Justice Gap Working Group to carry out its work in establishing the regulatory sandbox. The sandbox is exactly what is needed to allow – in a safe, supervised setting – evaluation of models of legal assistance so that we can learn what works and does not work, and so Californians can obtain the assistance they need.

C. NCAJ's Amicus Brief and the Court's Decision in Upsolve v. James

The Judiciary Committee may be aware that in *Upsolve v. James*, a plaintiff who is a Reverend in New York's South Bronx Neighborhood, and a co-plaintiff, the nonprofit organization, Upsolve, sued the State of New York in a First Amendment, as applied, challenge to the UPL laws of the State on the ground that these laws prevent the Reverend from providing basic legal advice to individuals who are defendants in debt collection cases.²⁷

NCAJ is participating in this lawsuit as a friend of the court. Our amicus brief describes the justice gap, and the important role of social services providers in being able to meet the needs of individuals who are seeking basic legal advice, and who have been prohibited from doing so by the operation of the UPL prohibition on the provision of legal advice by lay people in New York.²⁸

The District Court has now issued a preliminary injunction barring New York from enforcing the UPL prohibition against the Reverend.²⁹ The injunction also protects the speech and activities of an additional plaintiff, Upsolve Inc., a nonprofit that is offering its services to provide training to the Reverend and to other social services providers who are interested in providing the needed legal advice.

NCAJ urges the Judiciary Committee to take into account that First Amendment protection extends to the exchange of basic legal advice between people with unmet legal needs and those individuals who, though not trained as lawyers, possess the ability and skill that are needed to be helpful. The regulatory sandbox model is important in allowing an exploration of models that that can preserve people's First Amendment rights and freedoms. For these reasons, as well, NCAJ opposes the pending bill.

V. Conclusion

As the LA Times recognized in a recent editorial about the bar's reluctance to consider regulatory approaches that can help to meet the public's pressing need for affordable legal services:

The government should not automatically squelch competition to industries facing challenges from innovators. It should evaluate new ideas on their merits, and act in the public's interest. In this case, the focus must be on the needs of Californians who deserve a fair shot at justice.³⁰

NCAJ supports the work of the Closing the Gap Working Group and regulatory sandbox as an essential opportunity and vehicle for developing ideas and policy interventions to help address the ongoing crisis in California and nationally in which vulnerable people are at the mercy of more powerful antagonists in the justice system. In recognition of the urgent need to increase access to justice in the state, and in appreciation of the First Amendment interests that are also at stake here, NCAJ opposes the legislation and urges the Committee to allow the Working Group to make its recommendations unencumbered by protectionist interests and lobbying by special interest groups representing the private bar.

Respectfully,

David Udell Executive Director, National Center for Access to Justice

Matthew Burnett Policy Advisor, National Center for Access to Justice

Endnotes:

¹ For NCAJ's definition of access to justice, see *What is Access to Justice*, <u>https://ncaj.org/what-access-justice</u>.

² Ronald M. George, Chief Justice, Cal. Supreme Court, State of the Judiciary Address (Sept. 8, 2001), at <a href="https://www.google.com/books/edition/The_Little_Black_Book_of_Lawyer_s_Wisdom/gHSCDw_AAQBAJ?hl=en&gbpv=1&dq=If+justice+for+all+becomes+justice+only+for+those+who+can+a_fford+it,+we+threaten+the+very+underpinnings+of+our+social+contract&pg=PT77&printsec=fro_ntcover.

³ The Justice Gap: Measuring the Unmet Civil Legal Needs of Low-income Americans, Legal Services Corporation (June 2017), at <u>https://www.lsc.gov/about-lsc/what-legal-aid/unmet-need-legal-aid/justice-gap-measuring-unmet-civil-legal-needs-low;</u> William D. Henderson, Legal Market Landscape Report, Attachment A to Memorandum from Randall Difuntorum, Program Manager, Professional Competence, to Members, Board of Trustees (July 19, 2018), at <u>http://board.calbar.ca.gov/docs/agendaItem/Public/agendaitem1000022382.pdf</u>.

- ⁴ Sandefur, R.L., 2019. Access to what? Daedalus, 148(1), pp. 49-55; HiiL and IAALS, Justice Needs and Satisfaction in the United States of America (2021).
- ⁵ Estimates based on Gillian K. Hadfield, *Higher Demand, Lower Supply? Comparative Assessment* of the Legal Resource Landscape for Ordinary Americans," 47 Fordham Urban Law Journal 129 (2010), and data from public sources.
- ⁶ <u>https://www.justice.gov/ag/page/file/1445356/download.</u>
- ⁷ Justice Index, <u>https://ncaj.org/state-rankings/2021/justice-index</u>.
- ⁸ <u>https://www.srln.org/node/1535/srln-brief-advocacy-strategies-relationship-building-improve-srl-services-srln-2021</u>.
- ⁹ Mary McClymont, Nonlawyer Navigators in State Courts: An Emerging Consensus (2020), at <u>https://www.law.georgetown.edu/news/mary-mcclymont-176-closing-the-civil-justice-gap-with-nonlawyer-navigators/</u>.
- ¹⁰ Roles for Nonlawyer Practitioners, Committee on Professional Responsibility, Association of the Bar of the City of New York (June 2013)(David Udell, Chair, Access to Justice Sub-Committee), available at <u>https://www2.nycbar.org/pdf/report/uploads/20072450-</u>.
- ¹¹ Richard Zorza and David Udell, *New Roles For Non-Lawyers To Increase Access To Justice*, 41Fordham Urb. L.J. 1259 (2014), available at <u>https://ir.lawnet.fordham.edu/ulj/vol41/iss4/8</u>.
- ¹² Press Release, Chief Judge Names Members of Committee Charged With Examining How Non-Lawyer Advocates Can Help Narrow New York's Justice Gap, New York State Unified Court System (May 28, 2013), available at, http://ww2.nycourts.gov/sites/default/files/document/files/2018-05/PR13_07.pdf.
- ¹³ Mary McClymont, Nonlawyer Navigators in State Courts: An Emerging Consensus (2020), at <u>https://www.law.georgetown.edu/news/mary-mcclymont-176-closing-the-civil-justice-gap-with-nonlawyer-navigators/</u>.
- ¹⁴ Chris Albin-Lackey, *California Should Embrace Non-lawyer Providers*, Law360 (2019), at https://www.law360.com/articles/1211183/california-should-embrace-nonlawyer-providers.
- ¹⁵ Working With Your Hands Tied Behind Your Back: Non-Lawyer Perspectives on Regulatory Reform (2020)("Working with Your Hands Tied Report"), National Center for Access to Justice, <u>https://ncaj.org/sites/default/files/2021-</u>06/NCAJ% 20Working% 20With% 20Your% 20Hands% 20Tied% 20Behind% 20Your% 20Back.pdf.
- ¹⁶ Protection or Protectionism? "Unauthorized Practice of Law" Enforcement in California (2022) ("Protection or Protectionism Report"), <u>https://ncaj.org/sites/default/files/2022-</u> 02/Cease% 20and% 20Desist% 20Report% 20-% 20% 20Final% 2C% 202-14-22% 20pdf.pdf.
- ¹⁷ Memorandum of Law on Behalf of Amicus, National Center for Access to Justice at Fordham Law School (2022), <u>https://ncaj.org/sites/default/files/2022-</u> 02/Cease% 20and% 20Desist% 20Report% 20-% 20% 20Final% 2C% 202-14-22% 20pdf.pdf. See discussion below, at 7.
- ¹⁸ Working with your Hands Tied Report at 12, citing NCAJ telephone interview with Legal Document Assistant, California, September 2020.
- ¹⁹ *Working With Your Hands Tied* Report at 12, citing NCAJ zoom interview with Ellen Billie, AAA Fair Credit, Salt Lake City, UT, August 24, 2020.
- ²⁰ Working With Your Hands Tied Report at 13, citing NCAJ telephone interview with Michael Buono, September 28, 2020.
- ²¹ Working With Your Hands Tied Report at 13, citing NCAJ telephone interview with Michael Buono, September 28, 2020.

- ²² Protection or Protectionism Report at 9, NCAJ interview, August 2021.
- ²³ Protection or Protectionism Report at 11, NCAJ interview with officials in Office of Chief Trial Counsel, August 25, 2021.
- ²⁴ Protection or Protectionism Report at 11, NCAJ interview, June 2021.
- ²⁵ Protection or Protectionism Report at 12, NCAJ interview, July 2021.
- ²⁶ Protection or Protectionism Report at 13, NCAJ interview, August 2021.
- ²⁷ Upsolve, Inc. v. James, No. 22-cv-627 (PAC), 2022 U.S. Dist. LEXIS 93388, at *1 (S.D.N.Y. May 24, 2022).
- ²⁸ Memorandum of Law on Behalf of Amicus, National Center for Access to Justice at Fordham Law School, <u>https://ncaj.org/sites/default/files/2022-02/Cease%20and%20Desist%20Report%20-%20%20Final%2C%202-14-22%20pdf.pdf</u>
- ²⁹ The *Upsolve v. James* lawsuit remains pending. To date, the defendant, State of New York, has not initiated an appeal from the judgment granting the preliminary injunction.
- ³⁰ Lawyers are fighting innovative proposals for more affordable legal assistance. That's wrong, <u>https://www.latimes.com/opinion/story/2022-01-30/editorial-lawyers-are-fighting-innovative-proposals-for-more-affordable-legal-assistance-thats-wrong.</u>