

SAN GABRIEL VALLEY LAWYER REFERRAL SERVICE

RULES AND REGULATIONS

STATE BAR CERTIFICATION #0011
MEETS ABA STANDARDS

SPONSORED BY:
EASTERN BAR ASSOCIATION
PASADENA BAR ASSOCIATION
SAN GABRIEL VALLEY BAR ASSOCIATION

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SAN GABRIEL VALLEY LAWYER REFERRAL SERVICE

The San Gabriel Valley Lawyer Referral Service (the "Service") is a non-profit corporation sponsored by the San Gabriel Valley, Pasadena, and the Eastern Bar Associations.

It is governed by a Board of Directors consisting of twelve members representing the three sponsoring bar associations. The board meets monthly to conduct, manage and control the affairs and business of the Corporation.

The operation of the Service is in accordance with the "Minimum Standards for a Lawyer Referral Service in California" issued by the State Bar of California. In the event of a conflict of rules as set by the Board, and the "Minimum Standards", the higher standard shall prevail.

The service area of the Service is divided into three geographical areas as designated below and each Member is placed in the group where his/her main office is maintained.

East Group: Upland, Pomona, Montclair, La Verne, Claremont, Rancho Cucamonga

Central Group: West Covina, Walnut, San Dimas, Glendora, Irwindale, El Monte, Diamond Bar, Covina, City of Industry, Bradbury, Whittier

West Group: Temple City, South Pasadena, Sierra Madre, San Marino, San Gabriel, Rosemead, Pasadena, Monterey Park, Glendale, La Canada, Monrovia, Eagle Rock, Duarte, Arcadia, Altadena, Alhambra, Montebello

MEMBERSHIP RULES

The Rules of the Service as established by its Board of Directors are as follows:

1. A participating attorney (Member) shall be a member in good standing with the State Bar of California and have a principal office at an address on file with the State Bar, or a suitable place where he/she meets with clients (a "virtual office"), either of which is located within the service area of the Service, or contiguous thereto.
2. A Member agrees to abide by the Rules of the Service now in force, and those which may be promulgated by the Board of Directors of the Service, and acknowledges that failure to comply with these Rules, or any which may be issued by the Service in the future, is cause for suspension and/or removal from participating in the Service.
3. A Member agrees to pay to the Service such fees as shall be established by the Board of Directors of the Service.
4. A Member agrees that he/she will in no event hold or claim to hold the Service or the sponsoring bar associations or any officer, trustee, member or employee thereof, liable in connection with the activities of the Service and/or the Member's participation in its activities.
5. A Member shall engage in the practice of law on a full-time basis, and his/her principal office, where clients are met, shall not be located in the Member's residence (unless otherwise approved by the Board of Directors of the Service).
6. A Member agrees to provide a full accounting on all referred cases at periodic intervals as prescribed by the Service and in the form prescribed by the Service and acknowledges that he/she may be subject to suspension and/or removal from membership in the Service for failure to do so, and will permanently identify referred files by affixing the provided "Referred By SGVLRs" sticker to the outside front of the referred file.
7. A Member agrees to provide the Service annually with evidence of professional liability insurance coverage in the form of a copy of the face sheet of the Member's policy, and such coverage must be in an amount not less than **\$100,000** for each occurrence and **\$300,000** aggregate per year.
8. A Member agrees that he/she shall not charge a client who is referred by the Service a total fee that is greater than the amount normally charged to the Member's clients for the same services.

APPLICATION FOR MEMBERSHIP

Membership in the Service is by written application, which is submitted to the Service and approved by the Board of Directors. When an application is submitted to the Service, it is forwarded to a member of the Service's Board of Directors, as designated by the President, to conduct an investigation prior to presenting the application to the Board for consideration. If the application is denied, the applicant shall be notified, given the reason for denial, and advised of his/her right to appeal or amend the application. If the application is approved, the Service shall mail registration and agreement forms to the applicant.

SUBJECT MATTER PANELS

There are no limitations on the number of Subject Matter Panels a Member may select. For each Subject Matter Panel requested, a Member must submit an application, including relevant education, experience, and other qualifying criteria. At least 10% of a member's time, experience or income in the past, or expected in the coming year, must be in any Subject Matter Panel selected. A Member may exclude types of cases for which he/she does not wish to receive referrals.

The following are Subject Matter Panels which the Service maintains:

- | | | |
|-----------------------|--------------------------------|--------------------------|
| 1. Administrative Law | 7. Family Law | 13. Probate Law |
| 2. Bankruptcy | 8. Immigration | 14. Real Estate |
| 3. Business Law | 9. Intellectual Property | 15. Social Security |
| 4. Civil/General | 10. Labor/Wrongful Termination | 16. Taxation |
| 5. Criminal | 11. Medical Malpractice | 17. Workers Compensation |
| 6. Estate Planning | 12. Personal Injury | |

SPECIAL PROGRAMS

Each Member is expected to accept a share of referrals from economically disadvantaged clients. At the time of registration, the Member has the opportunity to indicate if he/she will render Pro Bono, Modest Means and/or Delayed Payment Services. Modest Means is defined as a reduced fee, less than that normally and customarily charged by the Member for the same service. Delayed Payment Services refers to services provided to those clients who are temporarily out of work and unable to pay a retainer or regular fee. A Member may elect to accept such clients with the understanding that the first payments from the client will not be payable until the client returns to work or is otherwise able to pay, including contingency fee arrangements.

EMPLOYEE REFERRAL PROGRAM

The Service administers a program whereby employees of businesses, who are registered with the Service, are given free telephone consultations. Members will be faxed a Confirmation Notice with the employee's contact information. Members are expected to make telephone contact with the employee within 24-48 hours of the receipt of the Confirmation Notice. In cases where an office consultation is required, in order to properly advise the employee, that consultation shall be given free of charge. Members may opt out of this program by giving written notification to the Service.

REFERRAL RULES

1. The Service maintains lists of Members in the three geographical areas (see list above), sorted by the panels they choose to participate in (see list of 17 panels above).
2. Referrals are made on a rotation basis, and a separate rotation system is maintained for each Subject Matter Panel.

3. For each client who is referred by the Service, the Member will be faxed a Confirmation Report confirming the referral to the Member. The Member shall sign and return the Report to the Service by fax or U.S. Mail, indicating the initial disposition of the referral.
4. A Member who is not retained or does not accept a matter referred by the Service shall not refer the matter to another attorney or recommend another attorney to the client, but shall refer the client back to the Service for another referral, except as provided in Rule 8, below.
5. A Member who is retained on a matter referred by the Service shall maintain responsibility for and control of such matter. A Member shall not transfer responsibility for or control of any matter referred by the Service without the knowledge and permission of the Service (confirmed by U.S. Mail or facsimile to the Member), unless required by law, court order or the written direction of the client (as to which the Member shall promptly advise the Service by U.S. Mail or facsimile, except as provided in Rule 8, below).
6. Rule 5, above, shall not restrict a Member, who is a member of or associated with a firm, from (a) accepting a matter referred by the Service and entering into a retainer agreement or legal services agreement for the matter, in the name of the firm, (b) having the matter or aspects thereof handled by other attorneys in the firm, provided that the Member retains ultimate responsibility and control for the matter, or (c) in the event the Member leaves the firm, from assigning responsibility and control of the matter to the firm, provided that the Member or firm promptly notifies the Service by U.S. Mail or facsimile that the Member has left the firm and left the matter with the firm. Each Member who is a member of or associated with a firm shall cause the Member's firm to acknowledge and agree in a writing, satisfactory to the Service and executed by the firm's managing or other authorized partner, that the firm shall be bound by the Rules of the Service as in effect from time to time with respect to matters referred by the Service, whether or not the Member continues to be a Member of the Service or a member of or associate of the firm, including without limitation, the following Rules: Rule 8 of the Membership Rules and Rule 5 of these Rules.
7. Rule 5, above, shall not restrict a Member from engaging another attorney to handle limited aspects of a matter, provided that such engagement is in the best interest of the client and the Member obtains the client's consent thereto, retains ultimate responsibility and control therefor, and complies with the applicable Rules relating to professional responsibility with respect thereto. Any fee charged by such other attorney shall be included in the amount of the Member's fee for the purposes of determining the Member's referral fee, unless the Service determines that such other attorney's fee would typically be incurred as a disbursement in the type of matter involved.
8. Notwithstanding Rules 4 and 5, if a Member to whom a matter is referred reasonably determines that the client would be best served by referral of the matter to another attorney, the Member shall notify the Service and request a referral to another appropriate Member or, if the circumstances so require, the Member may directly refer the matter to another attorney (whether such other attorney is a Member or not), provided that the Member to whom the matter was initially referred (1) first discusses the matter with the Service, (2) confirms the referral to another attorney in writing (by U.S. Mail or facsimile) from the Member to the Service identifying the attorney to whom the matter is referred, and (3) informs the client in writing (with a copy to the Service) that such referral is not being made by the Service and that the client may contact the Service for another referral.
9. If membership in the Service is terminated, voluntarily or involuntarily, by the Member's death, disability, disbarment, sale of practice, or any other cause, when there are fees owing by the Member to the Service, or there are awards of judgments owing to the Member's client(s), or there are pending referrals which may result in fees to be collected, the Member or his/her successor shall owe the applicable percentage of any such fees or potential fees to the Service and shall pay them immediately upon receipt. The obligation of the Member or his/her successor to the Service with respect to such fees shall constitute a lien in favor of the Service for the amount of the applicable percentage of such fees. Such lien may be enforced by litigation, arbitration, or mediation, and the Member or his/her successor shall be liable for the Service's reasonable attorney's fees and expenses incurred in such enforcement proceedings.

10. If a Member makes a referral pursuant to Rule 9 and receives any fee with respect to the matter referred by such Member, the referring Member shall be responsible to pay a fee to the Service pursuant to the Fee Rules, below, based upon the fee received by the referring attorney. If a Member makes a referral pursuant to Rule 9, and the attorney to whom the matter is referred is a Member, such attorney shall be responsible for paying a fee to the Service pursuant to the Fee Rules, below, based upon the fee received by such attorney, minus any fee paid to the referring attorney.
11. A Member shall enter into a written fee agreement with all clients referred by the Service for any additional services which exceed \$1,000, and the written fee agreement shall include a Fee Addendum provided by the Service.
12. If there is an associate counsel in a case referred by the Service (Rules 6 and 9, above) the client, associated counsel, and the Member shall sign an Association of Counsel Addendum provided by the Service, as well as an attorney-client fee agreement, copies of which shall be sent to the Service by mail or facsimile immediately, and provide a "Referred By SGVLRs" sticker to the associated attorney for placement on the outside front of his/her file as well.
13. The Service will send a periodic Status Report to all Members requesting information about clients who have been referred to each Member by the Service, including the status of the case, any fees received, and relevant comments. The Member agrees to respond to the Status Report by the due date set forth in the Report. All fees due to the Service must be remitted with this Status Report. All Members have agreed that they owe the Service a portion of any fees received for services rendered to clients who are referred by the Service (See Rule 5, above).
14. As a condition of receiving referrals from the Service, all Members agree that if the Service needs any further information regarding the Status Reports which have been submitted or the status of referrals, upon reasonable request, the Service has the right to review Members' files, records, and billing statements for clients referred by the Service.

FEES PAYABLE TO THE SERVICE

1. The annual registration fee for Members who belong to one of the sponsoring bar associations is \$150, which includes one Subject Matter Panel. The fee for additional panels is \$50.00 each. If a Member does not belong to one of the sponsoring bar associations, the annual registration fee is \$250.00, which includes one Subject Matter Panel; the fee for additional panels is also \$50.00.
2. If there is a fee for the initial half-hour consultation, it will be collected and retained by the Service. The initial half-hour consultation is only for general information and legal advice, and the Member shall not charge the client for that time. The initial conference fee is not intended to cover the drawing up of legal documents or rendering other legal services.
3. All compensation for any further services will be subject to agreement between the client and the Member, preferably written.
4. In all matters where compensation is contingent upon a recovery, the total fee shall not exceed **50%** of the total or gross recovery (not including costs).
5. Fifteen percent (**15%**) of all fees received on all referrals, excluding the first fifty dollars (**\$50**) of the initial payment, shall be paid to the Service promptly upon the receipt of such fees by the Member, including fees received through settlement, judgment or an award of fees.
6. Auditing of Members' Records: Panel Members shall allow the Service or its agents to examine and audit Members' financial or accounting records with regard to referred clients if a question arises between the Member and the Service with respect to fees owed to the Service. It is understood that the audit may include, but is not limited to, chart of accounts, general ledger-trial balance records, court filing records, calendars,

appointment records, time sheets, docket sheets, engagement letters, fee agreements and contracts with clients referred by the Service, unless covered by client confidentiality.

7. If any dispute over fees should arise between the Member (or associated counsel) and a client referred by the Service, and the client so requests, such dispute shall be submitted to arbitration. Prior to filing an action against a client for recovery, or prior to making an assignment for collection of fees, the Member must give at least thirty **(30)** days written notice of such intention to the client and the Service. The Member shall advise the client of his/her right to submit the matter to arbitration pursuant to the Rules of the Service. If a timely request for arbitration is made, the Member must agree to stay any action or assignment until the arbitration is completed.

SUSPENSION AND REMOVAL

1. If a Member fails to return a completed Status Report and/or account for and pay referral fees within thirty **(30)** days after a mailing of the Status Report, he/she will receive no further referrals until the delinquency is corrected.
2. When a member becomes more than thirty **(30)** days delinquent, the Service shall mail a Notice of Suspension to the Member.

If a Member fails to return a delinquent Status Report and/or account for and pay referral fees for more than thirty **(30)** days after the mailing of the Notice of Suspension, he/she will be permanently suspended from membership and notified by the Service in writing by mail of such.

b-a. If the Member wishes to appeal his/her termination, he/she may request an appeal, and the matter will be set for a hearing before the Board of Directors. The hearing will give the former Member an opportunity to show cause why appropriate action should not be taken by the Board of Directors of the Service in accordance with its Rules.

e-b. The suspension of a member does not terminate his/her obligation to report status and pay fees to the Service.

3. If a member is or becomes incapacitated or functionally unable to reasonably represent clients due to physical, mental, emotional, alcohol or drug related problems, membership shall be terminated by the following procedure:

If a director or staff member suspects or is aware that a Member is unable to reasonably represent clients, he/she shall advise the President and Administrator of such information. If the President and Administrator concur, no referrals shall be made to the Member until the next meeting of the Board of Directors, which: (a) shall consider all available information pertaining to the Member's capacity to reasonably represent clients; (b) decide whether the Member is incapacitated or if it needs additional information; (c) the Member shall be notified in writing by the President that membership has been suspended, along with the reasons for such suspension. The Member shall also be notified of his/her right to attend the next Board meeting to challenge the suspension. Meanwhile, no referrals will be made as long as the Member is suspended.

If a Member decides to challenge a suspension at a Board meeting, the Member shall be given the opportunity to be heard regarding his/her capacity and a final decision shall be made by the Board. If the Board decides that the Member is not incapacitated, then referrals to the Member will resume.

READMISSION TO MEMBERSHIP

A Member who has been permanently suspended from membership in the Service will not be readmitted to membership except upon an application to the Board of Directors and upon approval by the majority of said Board at the next regular meeting following receipt of the application for readmission. Such an application may not be submitted before sixty **(60)** days from the date of the receipt of a full accounting and payment of fees due on all cases previously referred. The application will be considered on the same basis as that of a first time applicant. The Board will have the right to impose such restrictions and/or conditions on membership as the Board shall determine.

BUSINESS OFFICE

**The LRS business office is located at 1175 East Garvey Avenue,
Suite 105, Covina, CA 91724.**

**The three telephone lines are 626-442-6973, 626-966-5530,
909-599-3847.
Fax: 626-915-4755**

**Website: <http://www.sgvlawyer.org>
Email: info@sgvlawyer.org**

Office hours are Monday through Friday from 9 A.M. to 5 P.M.