

**San Gabriel Valley Lawyer Referral Service
Rules of Procedure for
Mandatory Fee Arbitration**

1. Introduction

The San Gabriel Valley Referral Service (“SGVLRS”) Mandatory Fee Arbitration (“MFA”) Committee arbitrates disputes between attorneys and clients concerning the costs and fees charged for an attorney’s professional services. The arbitration proceedings are conducted under the Mandatory fee Arbitration Program (“Program”) according to these Rules of Procedure (“Rules”).

These Rules are intended to implement the mandatory fee arbitration provisions set forth in Business and Professions Code Sections 6200-6206 and the State Bar’s Guidelines and Minimum Standards for the Operation of Mandatory Fee Arbitration Programs.

A. Purpose

The purpose of the SGVLRS MFA Program is to provide for a fair, speedy and impartial hearing and determination of fee disputes between attorneys and clients.

B. Chairperson(s) of the MFA Committee

The SGVLRS President shall appoint MFA Committee Chair(s) who shall exercise the powers and bear the responsibilities set forth in these Rules as may be necessary to carry out the functions of the MFA program. Included in these powers is the determination of all questions of interpretation of these Rules and of procedure there under at any stage of the proceedings. With the consent of the SGVLRS President, the MFA Committee Chair(s) may appoint in an MFA Advisory Committee.

C. Arbitrators

The membership of the MFA Committee for the Program shall be composed of both attorney arbitrators and non-attorney arbitrators.

Attorney Arbitrators:

Attorney arbitrators shall be members in good standing of the State Bar of California and the SGVLRS, and in the opinion of the SGVLRS possess the qualifications and characteristics necessary to function effectively as fair and impartial arbitrators.

Non-Attorney Arbitrators:

Non-Attorney Arbitrators shall be individuals who have not been licensed to practice law or otherwise affiliated with the legal profession and who in the

opinion of the SGVLRs possess the qualifications and characteristics necessary to function effectively as fair and impartial arbitrators.

D. SGVLRs Staff

The executive Director of the SGVLRs is the administrator of the Program.

2. Notice of Client's Right to Arbitrate

- A. Prior to or at the time of filing any court action or commencing any other proceeding through another arbitration organization against a client for the recovery of fees, an attorney must serve by first class mail, or have a process server deliver to the client the State Bar approved "Notice of Client's Right to Arbitrate" form [Bus. & Prof. Code Section 6201 (a)].
- B. The client has thirty (30) days from receipt of the above-reference notice to request arbitration of the fee dispute by filing a completed PETITION TO ARBITRATE A FEE DISPUTE form with the Program administrator accompanied by the proper filing fee. The client waives the right to arbitrate if the client fails to request for arbitration within the thirty (30) day period.
- C. If the "Notice of Client's Right to Arbitrate" form is not accompanied by a proof of service when it is received by the client or any other questionable circumstance should arise regarding the receipt such notice, the MFA Committee has the authority to determine jurisdiction based on the evidence presented.

3. Court and other Fee Arbitration Proceedings

Any action or other proceeding shall be automatically stayed upon the filing service of a request for mandatory fee arbitration or in the event the parties have otherwise consented to mandatory fee arbitration under this Program. [Bus. & Prof. Code Section 6201 (c).]

4. Determination of Jurisdiction

The MFA Committee has the authority to determine jurisdiction and shall decline to act if it determines a lack of jurisdiction.

- A. Jurisdiction will normally be accepted if:
 - (1) at least one of the attorneys involved in the dispute has an office in Los Angeles County; or
 - (2) at least one of the attorneys involved in the dispute maintained an office in Los Angeles County at the time the services were performed; or

- (3) a substantial amount of the legal services were performed in Los Angeles County; or
- (4) arbitration is not available at the local County Bar association in the County where the attorney practices and the client resides in Los Angeles County; or
- (5) arbitration is available with the local County Bar Association in the County where the attorney practices but both parties, for good cause, desire to arbitrate the matter in Los Angeles County and the local County Bar Association agrees to transfer jurisdiction to the SGVLRs.

- B. The MFA Committee will not hear or settle disputes in which a client seeks relief for damages on the basis of alleged malpractice or professional misconduct. The MFA Committee cannot hear or rule on any counter-claim for damages.

Evidence relating to claims of malpractice and professional misconduct shall be admissible only to the extent that those claims bear the fees, costs, or both, to which the attorney may be entitled, as provided in Bus. & Prof. Code Section 6203(a). [See Rule 20(D).]

- C. The MDA Committee has no jurisdiction over fees that are fixed by court order, the order of an administrative agency, or by statute.
- D. Disputes where the request for arbitration is made by a person who is not the client of the attorney are not subject to arbitration. However, if the person who is responsible for the legal fees and/or costs is not the client of the attorney, the request for arbitration shall be made by the client and shall include the non-client(s) as a party, and the arbitration request shall be signed by all such parties.
- E. The MFA Committee is only empowered to hear disputes over fees and costs in matters where there is an actual attorney-client relationship or other legal basis for the payment of fees and costs for professional services rendered. If the question of whether an attorney-client relationship (or other legal basis for the payment of fees and costs) exists between the parties is an issue in dispute, the MFA Committee will only proceed if the party contesting the relationship stipulated that the Committee may hear and decide that issue.
- F. Unless the client has agreed in writing to arbitration of all disputes concerning fees, costs or both, arbitration shall be voluntary for the client and shall be mandatory for an attorney if commenced by a client. [Bus. & Prof. Section 6200 (c).]
- G. The MFA Committee will only have jurisdiction over a dispute initiated by an attorney when all parties to the dispute have previously agreed in writing to arbitration of all disputes regarding fees, or sign a stipulation to that effect.

- H. In a matter where the fee agreement provides for a contingent fee, the Committee usually cannot hear the dispute until the underlying matter has concluded.
- I. Subject to appropriate review, the MFA Committee Chair has discretion to decline to exercise the jurisdiction of the SGVLRs over any fee or cost dispute. Where jurisdiction is declined, the parties will be notified promptly of their right to proceed with fee arbitration before the State Bar of California, if applicable.
- J. Neither the MFA Committee Chair nor any participant on the MFA Advisory Committee shall represent any party in any matter arbitrated by the SGVLRs.