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Going Hollywood

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Going Hollywood

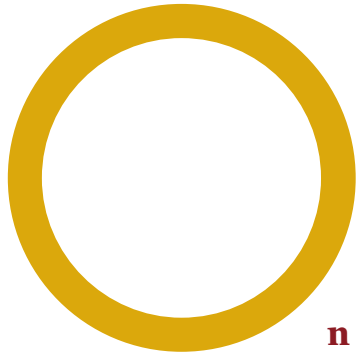
L.A.-STYLE
FUND-RAISING
SUPPORTS
LEGAL
SERVICES
THAT
THE FEDS
WON'T.

BY GINA LOBACO

PHOTO BY LINDA FORD



Mitch Kamin (left) and Dan Grunfeld



With the Go-Go's' Jane Wiedlin on stage, last summer's Justice Ball pulled in more than \$600,000 in private donations.

n a hot July night in Hollywood, thousands of people converge on the venerable Hollywood Palladium for an unusual law firm function. Above the media vans, the marquee announces “The 10th annual Justice Ball,” and VIP guests leave their luxury cars with the valets and sidestep scalpers hawking tickets along the sidewalk.

Inside, the iconic venue has been transformed with lighting, casino-style gaming, special furnishings, and an upscale silent auction for the crowd of more than 3,000 young professionals. The lines at the bars are seven or eight people deep, the DJ spins club music through a pulsing sound system, and groups of guests dressed to impress shoot each other the glad eye as they cruise the packed ballroom.

Mitch Kamin, president and CEO of Bet Tzedek, a pro bono legal-services organization, smiles and presses the flesh in the reception area, where paparazzi wait for celebrities to arrive for their photo ops. Kamin, a 1993 cum laude graduate of Harvard Law School, left a partnership at a well-regarded litigation boutique in Los Angeles to head Bet Tzedek (Hebrew for “house of justice”). At his side is Susan Genco, his wife and senior vice president/head of business and legal affairs at Warner Bros. Records. Both are around 40, and their connections within the music industry have clearly put them at ease as they pose for pictures with board members and tonight’s headliner, the Go-Go’s.

As the band takes the stage and launches into “We Got the Beat,” Kamin moves to a crowded VIP lounge. Guests on leather couches sip drinks from a hosted vodka bar that displays the Bet Tzedek logo carved into a massive ice sculpture. Kamin joins a group of investment bankers who are entertaining clients at the event. Over the din, he

Freelance writer Gina Lobaco has raised money on behalf of a variety of public-interest law firms in Southern California for 25 years.

shouts his thanks for their \$15,000 corporate sponsorship.

Before the night is over Bet Tzedek will raise more than \$600,000 to provide legal services for people who are hard-pressed even to find the rent money, much less afford a \$150 VIP ticket to a charity event. And this is Bet Tzedek’s *small* fund-raising event of the year.

In California, nearly 30 percent of legal-services funding for 2005 was raised through private initiatives, including special events; foundation grants; and private donations from law firms, individuals, and corporations. But funding isn’t the only sea change in the way legal services are provided. There is also a much greater emphasis on pro bono work, much of it coordinated through legal-services programs that once were funded primarily by the nonprofit Legal Services Corporation (LSC) in Washington, D.C.

The Justice Ball, started eleven years ago by Bet Tzedek with help from entrepreneur Randall Kaplan, was born of necessity. At the time, Bet Tzedek was one of 325 programs that received some funding through the LSC. But in 1996 the Republican-led Congress reduced overall LSC funding by one-third, stripped all funds from the legal-services support system, and imposed new restrictions on how the federal money could be spent. (See Omnibus Consolidated Rescissions and Appropriations Act of 1996, §§ 110 Stat. 1321–53.)

As a result of the legislation, legal-services programs were generally prohibited from advocacy and representation before legislative bodies and administrative rule-making proceedings, they could not initiate or participate in class actions, and they could no longer collect attorneys fees from adverse parties. In addition, fund recipients were forbidden to represent clients in electoral-redistricting cases; participate in any litigation regarding abortion; represent detainees or convicted prisoners in federal, state, or local facilities; or represent certain aliens and persons charged with or convicted of drug crimes

Photos courtesy of Bet Tzedek

in some public-housing evictions. Furthermore, LSC funds could not be used to sue the LSC, including lawsuits that might be related to the restrictions.

Many of the new limitations struck at the core of Bet Tzedek's services. But rather than lose its independence, the organization did something extraordinary. "In 1996 the board voted not to apply for an LSC grant because the directors believed that the restrictions meant we would not be able to fully represent poor people," says David Lash, a former executive director of Bet Tzedek who is now managing counsel of public interest and pro bono services in the Los Angeles office of O'Melveny & Myers. "The board stepped up and raised enough money to more than cover the shortfall," Lash says, joking that he didn't go to law school to become a special-events producer. But working with his board, he doubled Bet Tzedek's private fund-raising and improved its outreach to donors.

Today, Bet Tzedek's private funding accounts for 60 to 70 percent of its nearly \$6 million annual budget. Its directors are deeply involved in fund-raising, in the tradition of most successful nonprofits with boardroom give-and-get policies. The board is studded with some of L.A.'s legal and financial luminaries, including general counsel for Universal Studios and Warner Bros., managing partners of international law firms, and executives of Fortune 500 companies.

Over time the Justice Ball has become a hot party on L.A.'s summer circuit—a major accomplishment for a small program that competes with thousands of other local charities. Steeped in the fund-raising tradition of the Jewish community, Bet Tzedek attracts young donors just starting to establish their philanthropic interests, and it also helps bring in the organization's next generation of fund-raising leadership.

THE PRO BONO STRATEGY

A few miles to the east, Public Counsel—which bills itself as the nation's biggest pro bono law office—has pursued a similar course of survival. Founded in 1970 as a project of the Beverly Hills Bar Association, Public Counsel recently purchased and renovated a second office, a two-story building near the Wilshire Center with ample parking. The well-appointed suite bears little resemblance to the shabby style of most legal-services offices.

President and CEO Dan Grunfeld was a partner at the L.A. office of McDermott Will & Emery before he joined the nonprofit nine years ago. Since then Public Counsel has more

than doubled its budget to more than \$5 million. It has an all-time high of about 3,600 volunteers (1,900 of them lawyers) providing services to 25,000 people each year through more than 640 nonprofit organizations and small businesses. "We're not a clearinghouse," Grunfeld says. "We do many of the cases ourselves."

According to Grunfeld, the Public Counsel model begins with the assumption that there will never be enough government money to fund equal access to justice. "First of all, the people we help are without political power," he says. "Justice—even if there were more funding and no budget shortfalls—is going to have to fight for funding with roads, schools, the environment, defense, and a slew of other stakeholders, most of whom have a built-in advantage."

He's also skeptical of the quality of justice provided through government-supported agencies. "A clean environment and a strong defense are important, but having justice is on a completely different level, because there's a moral component," Grunfeld says. "It sounds cliché, but it relates to how

democracy in a republic can work. If you treat legal services like the DMV, you'll wind up with a version of the DMV—which is not a good thing."

So, Public Counsel relies primarily on private donations, combined with modest state funding and proceeds from the Interest on Lawyer Trust Accounts (IOLTA) program administered by the State Bar of California.

Like Bet Tzedek, Public Counsel's board of directors attracts the A-list of L.A.'s legal elite. Each year both programs host glitzy and prestigious awards dinners with screenings of professionally produced videos about their work—netting more than \$2 million for each group. The dinners are now part of a social network of L.A.'s legal community that supports such events in

large numbers: 1,400 or more people attend each dinner.

Such intense fund-raising might incite cutthroat rivalry between the two similar organizations, but Kamin says "a friendly competition" spurs the nonprofits to work harder. "More important," he says, "we are intensely collaborative and supportive. Although we have different service-delivery models, we both know how to make every dollar count by leveraging resources through pro bono efforts."

Grunfeld believes that pro bono efforts are gaining increasing currency thanks to professional publications, such as *The American Lawyer*, that use the level of pro bono activity to help rate top law firms nationwide. Law firms can rise or fall on the so-called A-list based in part on how much

A night of glamor at the Hollywood Palladium powers fund-raising for Bet Tzedek, whose clients can't afford legal representation.



pro bono work they perform. Most major firms now routinely tout their pro bono work through in-house newsletters, on their websites, and in their marketing materials.

Grunfeld estimates that using pro bono lawyers to take cases from Public Counsel increases the value of each donated dollar 16 times. "So for every \$100,000 we raise in cash," he says, "we are able to deliver \$1.6 million in legal services to people who desperately need help."

The vast majority of Public Counsel cases focus on a client's specific problems, which often involve children's rights, landlord-tenant issues, or consumer rights. In fact, Public Counsel and some other legal-services programs have social workers on staff to help deal with the intractable issues that often underlie legal problems. Though it also pursues class actions, these require much greater resources.

The Western Center on Law and Poverty (WCLP), a statewide support center providing litigation and legislative and administrative advocacy, is yet another Los Angeles-based group that turned to private fund-raising when it lost federal funding in 1998. Despite staff layoffs, a skeleton crew has been able to rebuild the support group with a small financial reserve raised privately through an annual garden party.

Today, WCLP gets its money from many sources—but not from the federal government. Of its nearly \$3.2 million annual budget, 47 percent comes from individual, law firm, and corporate donations and foundation grants; approximately 25 percent comes from attorneys fees; and 13 percent derives from support contracts with local legal-services programs.

"Because of the Western Center's history of successful lawsuits, government agencies are now willing to work with us before we're ready to sue," says Syd Whalley, WCLP's executive director. In fact, California's Department of Health regularly consults with WCLP's health advocate on the wording of medical notices, Whalley explains, because "programs are getting more complex for government, clients have language barriers, and there is high turnover among government workers who don't understand the regulations." Such interaction helps medically indigent people get the government benefits to which they are legally entitled without having to resort to costly litigation.

THE PRIVATIZATION OF LEGAL SERVICES

Ironically, opposition to publicly financed legal services by conservative administrations and Congress has produced unprecedented levels of involvement by the private bar. It has also stimulated greater activity by legal-services

BEGGING FOR JUSTICE

FROM THE LOOK OF THE MAIN OFFICE AT the Legal Aid Foundation of Los Angeles (LAFLA), you'd never guess it's one of the largest legal-services programs in the country, with an annual budget of \$15 million. A forlorn plant wilts in one corner of the waiting room, dog-eared posters sag on scuffed walls, and the well-worn furnishings betray their provenance as hand-me-downs from a law office remodeled 20 years ago.

Yet the shabby surroundings are a safe harbor for needy and desperate people: A woman with three kids in tow tries to keep them in line while she waits to secure a TRO against her abusive spouse. A frail elderly woman, bewildered at having been defrauded out of her home of 60 years, clutches papers anxiously. A middle-aged man with a walker, crippled by diabetes, wonders aloud why he has lost disability benefits.

LAFLA is the largest of eleven California programs that will share \$33.8 million distributed by the Legal Services Corporation (LSC) this year. But federal LSC funds accounted for only a fifth of the nearly \$198 million that California's 100 legal-services programs received in 2005 from all sources. To survive in the face of congressional

restrictions, imposed in 1996, that ushered in constant funding crises, these programs have adapted and reorganized.

As one of the largest of the nation's remaining 138 federally funded programs, LAFLA felt the attacks on legal services acutely. In 1996 LSC budget cuts forced it to lay off 40 percent of its staff, and in 2001 it merged with the Legal Aid Foundation of Long Beach. Now with 120 employees, it manages to produce small but steady growth each year.

The 78-year-old program is presently seeking a new executive director, who will be charged with continuing to expand its outreach, pro bono, and fund-raising efforts. According to Glenn D. Pomerantz, LAFLA's incoming board president and a partner at Munger, Tolles & Olson, the organization hopes to expand its full-time staff and try other ways of reaching communities. "Along with other programs, we staff the court's self-help centers and a system of satellite offices so that people can find legal services readily in their own communities," Pomerantz says.

In 2002 LAFLA hired David Ackerly as the director of private attorney involvement, to coordinate pro bono representation.

Ackerly says relationships between the private bar and legal services attorneys have improved. "We no longer have walls up between the two sides—the attitude that legal services attorneys are kindhearted but not fully professional, and that private attorneys are exclusively interested in money," he says. "There's a lot of respect now. We're seeing a growing interest among law firms in having legal-services cases provide experience for their new lawyers."

LAFLA has also been beating the bushes for private money, which last year provided 11 percent of its budget. Pomerantz says Bet Tzedek's and Public Counsel's fund-raising programs helped to expand LAFLA's contributor base and sell the idea of legal services to the community. "It's not our job to take money away from Bet Tzedek and Public Counsel, but to find new money," he says.

Still, begging for justice is a far cry from providing legal services to the poor as a fundamental right. In 2005 only 754 California lawyers worked full time as legal-aid attorneys. That translates into one legal-aid lawyer for every 8,361 low-income Californians, compared with one lawyer for every 250 citizens in the general state population. Against those odds, even finding a lawyer to talk to is a distant stop on a hard road to justice for the people in LAFLA's waiting room.

advocates within the State Bar of California and at the state Supreme Court.

In 1999, for instance, after three years of intensive lobbying by the State Bar, the Legislature established the Equal Access Fund within the Judicial Council's Administrative Office of the Courts (AOC). California thus joined 37 other states that provide funding to legal-services programs.

With an initial appropriation of \$10 million a year, California's spending has been modest. In 2000, for example, the state spent \$1.82 per poor resident. That same year Minnesota spent \$15.25 per poor person, and even Kentucky's rate was \$3.96. But since 2006 a small draw from California's Uniform Civil Filing Fee system has boosted the fund by \$5 million.

The Equal Access Fund had strong support from state Supreme Court Chief Justice Ronald M. George, a champion of legal services for the poor. With pro per litigants inundating the California court system, adequate representation has become an issue. For instance, the Los Angeles Superior Court system has estimated that in recent years half of the approximately 175,000 parties in family law and landlord-tenant filings were not represented by counsel.

The state's courts and legal-services providers have responded by collaborating on a system of self-help centers in all but 3 of California's 58 county court systems. Mary Lavery Flynn, director of the State Bar's Legal Services Outreach, says that such a partnership could never have been foreseen 25 years ago. Over her long career working in legal-support programs, she has watched the "justice community" expand to include a broad range of organizations and a partnership between legal-services providers and the state courts.

Some legal-services advocates, however, question the wisdom of focusing on self-help centers. "If there's \$1 million in state funding for self-help centers, is it more effective for direct service providers to represent 100 people, or to distribute tools for 500 people to represent themselves?" asks O'Melveny's Lash. "Self-help packets are better than nothing. But if we're serious about equal access to justice, it requires having an attorney. You don't see people of means walking into court with a self-help packet."

Two legal-services support groups located in San Francisco have also stepped into the funding breach. The Public Interest Clearinghouse cultivates partnerships between legal-aid programs, law schools and their students, the State Bar, and the courts to improve the delivery of legal services. Its sister organization, the Legal Aid Association of California, is a nonprofit trade group representing about 75 legal-services providers and a comparable number of individuals involved with advocacy and training.

Despite great ambition, these programs are often hamstrung by meager budgets. The State Bar Legal Services Trust Fund

Commission, for example, is responsible for managing and distributing nearly \$20 million a year in IOLTA and Equal Access Fund allocations, and it collects information from the 100 legal-services programs statewide. Yet the Trust Fund could not provide current basic statistics on statewide client numbers or demographics, types of cases, or the nature of services. Acting Director Lorna Choy cites insufficient staff, an outmoded database, and "no need" as reasons the figures aren't available.

State funding is influenced by recommendations from the California Commission on Access to Justice, which includes appointees from the governor, the state Assembly and Senate, the state attorney general, the California Judges Association, the State Bar, and civic organizations ranging from the California League of Women Voters to the California Chamber of Commerce. In February the commission released an action plan, "Achieving True Access to Justice in California," that Assembly Judiciary Committee Chair Dave Jones (D-Sacramento) used in his efforts to increase the legal-services budget.

Sparking interest in legal services isn't easy, Jones admits, partly because so few lawyers now serve in the state Legislature. (Twenty percent of California's incumbent lawmakers are attorneys, according to the State Bar—a share that has declined by more than 40 percent in the past 35 years.) "One of the implications," he says, "is a bigger challenge in making the case to our colleagues that the judicial branch needs to be adequately funded."

Nonetheless, Jones cites a series of small victories: the additional \$5 million for the Equal Access Fund from civil filing fees; shifting the

fund to the AOC's trial-court budget, where it will receive regular revenue increases; and a \$3.7 million allocation by the Judicial Council last year to establish more self-help centers. Jones is also optimistic that a voluntary State Bar dues check-off system to fund legal services—permitted last year by passage of AB 2301—will take effect in the fall. Still, Jones warns of "an overwhelming justice gap" of nearly \$400 million needed to provide legal assistance to people who can't afford it.

The Equal Access Commission's action plan includes a range of options for bolstering legal services, from seeking higher yields on IOLTA funds and ratcheting up private fundraising to creating a formal structure for cy pres awards. O'Melveny's Lash, however, thinks the main goal should be providing assistance from actual attorneys. "Even some lawyers don't appreciate what a critical role lawyers play in the battle against poverty," he says. "They don't understand that if you're poor, you may need a lawyer to get to see a doctor."

A FUNDAMENTAL RIGHT?

Of course, politics being politics, the LSC's stormy history could foreshadow similar ideological opposition for state-sponsored programs in California. Another risk is internal: Whatever

"If we're serious about equal access to justice, it requires having an attorney. You don't see people of means walking into court with a self-help packet."


bureaucracies they generate would siphon off money from direct services.

Greater reliance on private funding and pro bono services, on the other hand, may signify a departure from the American Bar Association's longstanding position that equal access to justice is a fundamental right that should be guaranteed by the government. In 1965 the ABA House of Delegates endorsed federal funding of legal services only when it became clear that charitable funding would never meet the need. Reiterating its stance last August, the House of Delegates urged "federal, state, and territorial governments to provide legal counsel as a matter of right at public expense to low income persons in those categories of adversarial proceedings where basic human needs are at stake."

Determining public or private responsibility for legal services "is not an either/or" matter, insists Public Counsel's Grunfeld. "Look at the quality of justice on our streets—the

answer is we need more of *everything* if we're going to make justice a reality for everyone. Even though Public Counsel has never received federal funding, I still strongly support increased allocations to the Legal Services Corporation."

Bet Tzedek's Kamin agrees. "Legal services needs to pursue multiple strategies, or else we'll go out of business," he says. "No single source is enough to meet the growing expenses and need. Private fund-raising isn't going to work as successfully in rural offices and for legal-service providers in smaller communities. They simply don't have access to large private funders, and they don't have the same culture of giving that exists in some of the bigger cities.

"I've talked with people in Bakersfield, Fresno, and Sacramento," Kamin continues. "Their private bars aren't as well heeled, national law firms don't have offices there, and their fund-raising opportunities pale in comparison to what we can do. But we *can* develop collaborative strategies." 

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