

HALT

An Organization of Americans for Legal Reform



*Dedicated to
helping all Americans
handle their legal
affairs simply,
affordably and
equitably*

2000 Annual Report

HALT

An Organization of Americans for Legal Reform
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From the Executive Director

Education and advocacy are HALT's two core missions, for we believe that legal reform comes at both the personal and the institutional levels.

Each year, HALT makes a real difference for tens of thousands of ordinary Americans who must deal with our civil justice system. Whether it is through the educational information available on our web page, the self-help materials published in our Citizen's Legal Manuals or help from our Legal Information Clearinghouse, we play a unique role in helping to empower America's legal consumers.

Equally important, HALT serves as the only independent voice for legal consumers in advocating reforms that improve accessibility and accountability in the American civil justice system. In testimony before state legislatures, briefs in critical test cases and published commentary on reform issues, our advocacy efforts ensure that the public interest is heard.

Here are just a few highlights of HALT's activities during 2000.

This year our education program has emphasized an expanded Internet presence at www.halt.org (where we are now receiving over 3,000 "hits" each day) to provide ready public access to HALT research and publications. HALT staff has also completed updating our *Legal Information Clearinghouse & Referral Network* to include current information on all of referral participants and to add new web sites, organizations and self-help books. In addition, we offered new self-help legal books to members throughout the year and published our quarterly newsletter, *The Legal Reformer*. Finally, the *Hasse Internship Program* supported an exceptional group of college and graduate students who learn about legal reform while working in the trenches with HALT staff.

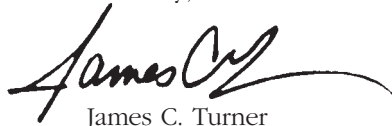
HALT's advocacy program enjoyed renewed successes over the past year, in pressing for small claims reform (where five states have enacted legislation that increases the dollar limits for these courts), and working for improved lawyer accountability through testimony before the ABA Ethics 2000 Commission, as well as an analysis of the failures of existing Client Compensation Funds. Our *Freedom of Legal Information Project* was again active in Texas debates on unauthorized practice of law regulations, and prepared an *amicus curiae* brief in a Federal test case on the rights of *pro se* litigants. Finally, HALT launched a new legal reform project to expand the availability of collaborative law — an innovation that uses specially trained lawyers to help people resolve disputes without court intervention.

As these brief highlights show, by combining education and advocacy HALT is able to use many different approaches to address the problems of accessible and accountability. HALT is unique; no other organization does all this.

And HALT is needed now more than ever. For today, tens of millions of Americans still simply can't afford to use the legal system that is supposed to serve us all. Similarly, the ABA and the legal establishment still reject even modest proposals to protect consumers who are victimized by unscrupulous attorneys.

So these are the challenges we must face as we work to build a civil justice system that works better for all Americans. But our 2000 successes show us that with the renewed support and commitment of HALT members across the country, we can make a difference.

Sincerely,

A handwritten signature in black ink, appearing to read "James C. Turner". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

James C. Turner

2000 In Review

This year HALT entered the new millennium energized by its past accomplishments and excited for its future challenges. In 2000, HALT increased its focus on several fronts. We successfully pressured five states into increasing their dollar limits and have begun small claims legislative campaigns in six more states. We fought for greater lawyer accountability at both the state and national levels by providing the ABA Ethics 2000 Commission with a scathing critique of the ethics rules that govern lawyers' behavior and by helping to expose the sham of client compensation funds (a HALT letter critiquing these funds appeared twice in the *National Law Journal*). We produced a white paper for the American Council on Consumer Interests, which will be published in the *Consumer Interest Annual* and presented at the ACCI conference and we began work on a new program initiative called the Collaborative Law Project.

On the education front, we completely revamped our web site to make access to information more intuitive and to establish "*balt.org*" as the premier legal information clearinghouse and ready-reference for legal reform issues. Daily hits have increased from a few hundred to over 3,000. We have also implemented a system for quickly updating and adding new material that allows staff to easily keep the web site fresh. HALT also continued to offer new self-help legal books to members throughout the year and distributed its quarterly newsletter, *The Legal Reformer*.

Advocacy

Small Claims Reform Project

HALT's multi-year national reform campaign to educate consumers and policy makers about small claims court reforms made great strides in 2000. Our agenda includes raising dollar limits to \$20,000; granting small claims judges the power to issue court orders, not just award money damages; banning lawyers from small claims courts; expanding small claims dispute resolution programs; and creating user-friendly courts by pushing for evening and weekend hours.

HALT-supported reform efforts have led to increases in the small claims jurisdictional limits in five states. In the last year, Connecticut passed a law raising the small claims limit from \$2,500 to \$3,500. Idaho enacted a law increasing its limit from \$3,000 to \$4,000. Indiana raised the small claims dollar limit for Allen County (in which Ft. Wayne is located) from \$3,000 to \$6,000. Louisiana raised the limit in its Justice of the Peace Courts (the state's rural small claims courts) from \$2,000 to \$3,000. And Michigan, which had the fourth lowest jurisdictional limit in the country, raised its limit from \$1,750 to \$3,000.

In addition to supporting these successful reform efforts, staff also pursued legislation that would have raised the small claims dollar limits in several other states. The Missouri legislature introduced a bill that would have raised its limit from \$3,000 to \$10,000. Wisconsin also saw legislation raising its limit to \$10,000, from the current \$5,000. Indiana, which raised its limits for Allen County, failed to pass legislation that would have raised the limit statewide from \$3,000 to \$7,500, and for Marion County (Indianapolis) from \$6,000 to \$10,000. In Kansas legislation was introduced to raise its limit from \$1,800 (now fourth lowest in the country) to \$2,500. Finally, in New York, the Assembly Rules Committee passed a bill raising that state's limit from \$3,000 to \$5,000, but the bill did not make it to a vote on the floor. Staff will work to have these measures introduced again and passed in the upcoming legislative term.

*"Small claims court is
the real people's court."*

THERESA MEEHAN RUDY
— Program Director, HALT

Staff also recently wrote to the governors of five key states where small claims reform is urgently needed, asking each governor to support legislation raising his state's small claims dollar limit to \$20,000. The states contacted were California, Michigan, New York, Pennsylvania, and Texas. Of the five governors' offices, only Pennsylvania and Texas have responded to our letter so far. We eagerly await responses from the other three states, and will work hard for reform in all five of these important jurisdictions.

Freedom of Legal Information

HALT's Freedom of Legal Information Project defends consumers' rights to have access to self-help law books and software, law libraries and less expensive alternatives, such as independent paralegals, against attacks by the legal establishment. This year, new and previously fought battles with the legal profession over preserving consumers' unfettered access to legal services continued.

"The easiest way to make legal services available is to let more people provide legal services. 'Lawyer' and 'legal service provider' are not synonymous terms."

THOMAS M. GORDON
—Associate Counsel, HALT

KENTUCKY—Staff advised the attorney for the Kentucky Association of Realtors in preparing for his Kentucky Supreme Court case contesting a Kentucky Bar Association Opinion that real estate closings must be performed by an attorney. A decision should be issued some time in 2001.

DELAWARE—The unauthorized practice of law case against Marilyn Arons was appealed to, and denied certiorari by, the U.S. Supreme Court.

TEXAS—Staff submitted written comments urging the Texas State Bar Unauthorized Practice Task Force to scrap a proposal that would ban nonlawyers from "providing legal advice or legal representation" and specifically prohibit nonlawyer "preparation or negotiation ... of a will, trust, contract, conveyance, pleading, or other instrument...." HALT suggested that the Task Force replace its proposal with a single sentence that would protect consumers against fraudulent practitioners: "The unauthorized practice of law means saying you are a lawyer when you are not."

NATIONALLY—Despite heavy opposition from HALT and other consumer groups, the American Bar Association voted on July 11, 2000 to uphold the ban on multidisciplinary practices—a HALT-supported reform that expands consumer choice and cuts legal costs by allowing nonlawyers to provide some legal services. HALT criticized the ABA's action as predictable and self-serving.

Lawyer Accountability

HALT's Lawyer Accountability Project evaluates current attorney discipline systems with a view toward strengthening consumer protections and seeks to hold lawyers accountable by making them subject to state consumer fraud statutes. HALT also works to expose the ineffectiveness of client security trust funds and advocates the adoption of mandatory fee arbitration programs.

MONTANA—HALT's Executive Director testified before the Montana Senate Judiciary Committee in favor of Senate Bill 109. SB109, which was introduced by Sen. Jerry O'Neil, proposed to give a voice to the legislature in the regulation of lawyers in Montana. HALT also suggested modifications to SB109 which allowed the Bill to obtain the support of the Judiciary Committee chairman.

NEW JERSEY—HALT featured an article from Citizens for Justice in New Jersey, Inc. in its Fall, 2000 issue of *The Legal Reformer*. The organization runs the "New Jersey Bartender" on its web site—a comprehensive list of New Jersey attorneys who have been formally charged with or punished for violation of the Rules of Professional Conduct. It is also working to challenge the state's gag rule,

which prohibits complainants from telling anyone they've filed a grievance against an attorney. HALT urged local members wanting to work on gag rule issues in New Jersey to get in touch with the organization's president.

VIRGINIA—HALT is overseeing efforts by the Virginia Bar to create a more open system of attorney discipline in Virginia. The Fairfax County Bar Association has convened a panel of Virginia attorneys to consider making changes to the system and this panel is expected to release its recommendation in May.

NATIONALLY—This year HALT submitted comments to the American Bar Association's Ethics 2000 Commission on how the Model Rules of Professional Conduct should be strengthened to hold lawyer accountable and better protect legal consumers. HALT called upon the ABA to clearly state that lawyers have an ethical duty to communicate with clients in a full, timely and comprehensive fashion; to condemn the abusive practice of value-based fees in probate; to provide sample fee agreements in the Model Rules; and to recognize the legitimate role played by non-traditional legal service providers that enhance consumer choice.

HALT will continue to press its points throughout the comment and debate period, which is expected to last several years.

In 2000, HALT also reported on the results of a nationwide survey of attorney discipline programs. HALT used data from 1997 (the most recent year statistics for all 50 states were available), and concluded that nationwide, less than 0.3% of the nation's 1,075,044 active lawyers had had sanctions imposed on them. HALT identified California as the worst state for disciplining lawyers and Florida as the best.

Finally, at the national level, HALT named the six worst client protection funds in the country (Illinois, Mississippi, North Dakota, Texas, Wyoming and Washington, DC) to its "Dirty Half-Dozen"—a HALT survey that calls attention to the utter failure of client protection funds. These funds were created by states to reimburse people cheated by their lawyers. HALT will follow up its initial survey with a more in-depth look at the state of attorney discipline programs across the country and the overwhelming need for legal consumers to be able to sue attorneys and receive real compensation, under state consumer fraud statutes.

Legal Consumer Bill of Rights

HALT's Legal Consumers Bill of Rights Project, launched in 1998, is helping to level the playing field between attorneys and the clients they serve. HALT's Bill of Rights states that you have the right to control your own legal affairs, to affordable legal services, to competent legal representation and to an accessible and accountable legal system.

HALT prepared an article for the Journal of the American Council on Consumer Interests which will be published online and presented at the Council's Annual Conference in April. The article highlighted the numerous flaws in the civil justice system and recommended several reforms, including creation of a Legal Consumer Bill of Rights which would guarantee all con-

"What the profession really needs to do is to get serious about holding lawyers accountable, both with real sanctions for misconduct and clear and concise rules that will help lawyers steer away from trouble."

—THERESA MEEHAN RUDY
— Program Director, HALT

"The solution to this problem is surprisingly simple; make lawyers subject to the same laws as all other professionals."

—STEVEN E. SERDIKOFF
—Associate Counsel, HALT

sumers the basic right to an affordable, accessible and accountable legal system. HALT also will soon be releasing a brochure explaining the four basic rights all legal consumers should enjoy.

Judicial Integrity Project

The system for disciplining judges in this country is plagued with many of the same ills facing lawyer discipline—slowness, secrecy and leniency. Americans deserve a legal system operated by judges who are honest and publicly accountable. HALT's Judicial Integrity Project seeks to ensure judicial integrity and is fighting to strengthen consumer protections in this area.

This year staff continued to highlight abuses of judicial integrity, such as the recent failed attempt to remove prohibitions on federal judges collecting fees for speaking engagements in Congress, the acquittal of the New Hampshire Supreme Court chief justice of impeachment charges and the problem of the political influence in federal judge education programs.

Collaborative Law

HALT launched a national campaign in 2000 to expand the availability of collaborative law—a legal process which allows both sides in a dispute to retain separate, specially trained lawyers whose job is to help the parties settle their dispute without court intervention.

Staff has begun studying the collaborative law practices already in place in a few states and is developing a five-point initiative plan that will help publicize the existence and promote the availability of collaborative law throughout the country. Specifically, staff will create a web-based clearinghouse of information on collaborative law, add practitioners of collaborative law to its referral network and advocate for changes in the law that will facilitate the practice of collaborative law.

Education

HALT continues to help thousands of people with its self-help educational materials and referrals. In 2000, HALT began updating the resources and referral contacts in its Legal Information Clearinghouse and Referral Network and hired a consultant to greatly improve its web site (<http://www.halt.org>). HALT also offered members a number of books throughout the year, including *Shocked, Appalled and Dismayed: How to Write Letter of Complaint that Get Results*.

Internship Program

HALT kicked off the beginning of a new internship program in 2000. The Hasse Internship Program, funded by HALT founder Paul Hasse, allows HALT to fund two full-time interns each summer and one full-time and one part-time intern for the fall and spring semesters.

This year, HALT supported three summer interns. Two of the summer interns were sponsored by the Everett Public Service Internship Program, and one was the initial Hasse Intern.

"I never thought one book [Using a Lawyer] could hold so much good information in it."

CHESTER W. CHRISTOPHER
—Henderson, TX

Legal Information Clearinghouse & Referral Network

HALT's Legal Information Clearinghouse & Referral Network puts members and the general public in touch with the legal information or help they're seeking. This year, staff updated information on all of its referral participants and continued to add new resources such as web sites, organizations and books to consult.

The importance of connecting people to the legal help they need was highlighted

"You've been more help to me than 18 years of the civil court system!"

DEE BONDU
—Fort Washington, MD

this year in the case of Dee Bondu. Dee spent 18 years trying to locate and serve support papers on the father of her daughter. She contacted HALT for help and weeks later succeeded in her legal quest to serve papers. Dee's case and HALT's connection to it was recently profiled in *The Washington Post* and featured on a DC public access television station.

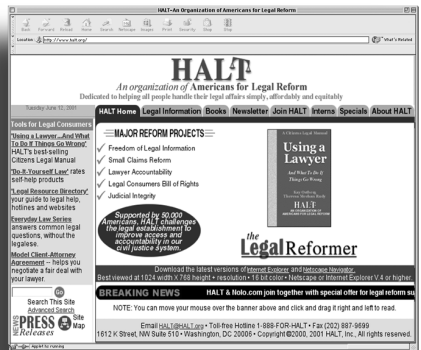
"Last fall I asked for your help in finding an estate lawyer in Massachusetts. You referred me to a very capable person. I am pleased with his help. Thank you!"

M. JEAN GAVIN
—Philadelphia, PA

Public Outreach

HALT on the Internet

HALT completely revamped its web site in 2000. The site now has an improved layout which makes navigation and accessibility to information more intuitive, an internal system for updating and adding new material, improved graphic designs, and a one-line scrolling banner that can include "Late Breaking News." HALT's site also supports secure online ordering of our publications and continues to feature an increasing number of educational materials as well as numerous links to legal resources on the Internet. Web traffic to the site has increased dramatically, from just a few hundred hits a year to several thousand.



HALT in the Media

HALT programs, activities and spokespeople continue to make it into both the print and nonprint media, including: *The Washington Post*, *The Washington Times*, *The Connecticut Law Tribune*, *The National Law Journal*, *New Haven Register*, Associated Press, *The Roanoke Times*, *USAA Magazine* (an insurance and financial services magazine), *Wisconsin State Journal*, *ABA Journal*, Kiplinger.com, *U.S. News and World Report*, *The National Law Journal*, *Connecticut Law Tribune*, *The Hartford Courant*, and the *Bellevue Gazette*, as well as other Ohio newspapers, WTIG-TV Fox 5, DC Public Access, and WOR-AM (NY).

2000 Financial Statement

BALANCE SHEET

(with comparative totals for 1999)

ASSETS	2000	1999
Current Assets		
Cash & Cash Equivalents	\$ 60,815	\$ 125,323
Investments	207,094	94,695
Accounts Receivable, (Net)	558	1,291
Prepaid Expenses	2,649	10,475
Inventory	53,218	43,902
Total Current Assets	324,334	275,686
Long-Term Assets		
Property & Equipment (Net)	29,860	1,223
Other Assets		
	4,565	4,565
TOTAL ASSETS	\$ 358,759	\$ 281,474
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 4,493	—
Accrued Liabilities	19,716	8,383
Obligation under Capitol Lease—		
Current Portion	—	1,412
Deferred Compensation	14,322	11,662
Total Current Liabilities	38,531	21,457
Net Assets		
Unrestricted	320,228	260,017
TOTAL LIABILITIES AND NET ASSETS	\$ 358,759	\$ 281,474

Excerpted from the financial audit completed by Bert Smith & Co., Certified Public Accountants

REVENUES & EXPENSES

(with comparative totals for 1999)

REVENUE	2000	1999
Support and Revenue		
Contributions	\$ 352,959	\$ 350,521
Dues	402,363	377,060
Investment Income	14,771	9,074
Marketing and Other Income	16,205	29,177
TOTAL SUPPORT AND REVENUE	786,298	765,832
EXPENSES		
Program Services		
Education	182,996	196,609
Advocacy	142,346	193,154
Research & Planning	57,643	69,545
Membership Programs	178,040	124,009
Total Program Services	561,025	583,317
Supporting Services		
Membership Development	53,032	37,596
Fund Raising	48,349	46,262
General & Administrative	63,681	89,697
Total Supporting Services	165,062	173,555
TOTAL EXPENSES	\$ 726,087	\$ 756,872
Increase In Net Assets	60,211	8,960
Net Assets, Beginning of Year	260,017	251,057
Net Assets, End of Year	\$ 320,228	\$ 260,017

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