

HALT

An Organization of Americans for Legal Reform



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

2003 Annual Report

HALT

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From the Executive Director

This is the seventh time I've transmitted our Annual Report to HALT members and supporters, and in many ways, the progress we summarize here marks the end of one chapter in our existence and the beginning of an exciting new one for both our advocacy and education efforts.

First, I can report that our advocacy programs have matured and now deploy new tools to shape public debate on critical legal reform issues.

Today, our reform efforts enjoy a significantly broadened base of support through coalition work spearheaded by Associate Counsel Suzanne Mishkin. Most recently, HALT won the unanimous endorsement by the Consumer Federation of America for our work promoting plain-language court forms and instructions; higher dollar limits for non-probate procedures; increased accountability for judges; mandatory legal malpractice insurance; and expanded lawyer accountability under state consumer fraud statutes.

HALT can also now advance the case for reform with the support of new, authoritative research—including our Small Claims and Lawyer Discipline Report Cards, and white paper analyses of court systems. The recent small claims reform victories in New York, Indiana, Utah and Washington, all reflect testimony by Senior Counsel Thomas Gordon that highlighted our research findings.

Second, I can report that our education programs have expanded and grown, implementing whole new arrays of self-help products that empower Americans to deal with their legal needs.

HALT's new partnerships with legal academicians forged by Program Director Theresa Meehan Rudy have allowed us to significantly increase our production of self-help materials. In addition, the publication of our new *Citizens Legal Guides* greatly expands the range of resources available to help people understand and address common legal needs.

Finally, our membership and program staff, Stacie Branham, Amy Dieterich and Kristin Weber, have implemented comprehensive new communications systems. With expanded public outreach, www.halt.org provides easy access to the self-help resources in our *Legal Information Clearinghouse*, and our *eJournal* keeps reform activists up-to-date with our new, twice-monthly e-mailed newsletter.

These achievements, along with our recent growth in resources and membership, represent true milestones in HALT's life as an organization dedicated to helping all Americans handle their legal affairs simply, affordably and equitably.

And this is only the beginning.

Sincerely,



James C. Turner

The Year In Review

A banner year, 2003 saw many successes with noticeable advances in our small claims and lawyer accountability reform work, increased media attention for our positions and several new publications for our members.

Our major advocacy achievements this year include participation in a small claims bill signing in Maryland; small claims reform successes in New York, Indiana and Utah; testifying before the ABA's Task Force on the Model Definition of the Practice of Law; working with the California Law Review Commission on small claims and lawyer malpractice issues; and submitting comments to several American Bar Association Commissions including one responsible for revising the Model Code of Judicial Conduct.

On the education front, HALT produced several new publications including a completely updated book *Using the Law Library*, two new *Citizens Legal Guides* on dealing with the legal system and working with lawyers, and our quarterly newsletter, *The Legal Reformer*. We also began producing an online *eJournal* that subscribers receive every two weeks, answered hundreds of requests for legal information from members and non-members alike, and began distributing our newsletter to public libraries across the country.

Advocacy

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. HALT has been a forceful opponent of the growing trend toward broadening the definition of the "practice of law," which would further restrict consumer access to the law.

UTAH—HALT submitted comments to the Utah Supreme Court on its proposed definition of the practice of law, which allows a regulated system of document preparers. HALT praised the Court for proposing this reform, while urging it to make clear its intentions to allow such a system.

KENTUCKY—The Supreme Court of Kentucky struck down a Kentucky Bar Association decision that real estate closings must be handled by lawyers alone. With this decision, the court accepts HALT's long-advocated position of protecting consumers against a legal monopoly over services that do not demand a lawyer.

NATIONALLY—The ABA Standing Committee on the Delivery of Legal Services issued its report on improving access to justice. The report incorporated many of the recommendations HALT made in its 2002 testimony before the committee, including expanded access to small claims courts and promoting a continuum of legal service providers to meet various legal needs. The committee even adopted HALT's frequently used analogy to medical care, noting that one does not need to see a brain surgeon to treat a headache.

"[T]hose serving this marketplace must understand that the need for legal services is a continuum of need.... [E]ffective legal services must come from a range of service providers, including the courts, lay service providers, lawyers and technologists."

—Report on the Public Hearing on Access to Justice,
*American Bar Association Standing Committee
on the Delivery of Legal Services*

Small Claims Reform

HALT's campaign to educate consumers and policymakers about small claims court reforms celebrated its fifth year in 2003. Since HALT began its small claims reform project in 1998, 26 states have raised their maximum allowable claim in small claims court. In that time, the national median has been raised from \$3,500 to \$5,000. HALT has worked not only to increase small claims dollar limits (with a goal of \$20,000 as the maximum claim amount), but also to improve the process of collecting a small claims court judgment, grant small claims judges the power to issue court orders in addition to money damages, expand small claims dispute resolution programs and create more user-friendly courts.

NEW YORK—Governor Pataki signed legislation raising the maximum claim in most of the state's small claims courts from \$3,000 to \$5,000. The legislation affects courts in New York City, Long Island, and parts of the rest of the state. HALT worked with legislators and other reformers in Albany and provided valuable information comparing New York's small claims system to other states.

UTAH—Utah raised its small claims maximum from \$5,000 to \$7,500. The legislation's sponsor consulted frequently with HALT in preparing to introduce the bill.

WASHINGTON—A new law will make it easier for small claims litigants to collect from the opposing party when they win a judgment. The new law requires losing parties who do not pay within thirty days of a judgment against them to pay for the plaintiff's collection costs. The bill was stuck in the Senate Judiciary Committee until HALT wrote to the committee leadership explaining the importance of the legislation.

NATIONALLY—HALT produced a white paper study of small claims court caseloads in every state over the last 10 years. HALT's research shows that increases in maximum claim amounts has, at most, a minor effect on caseloads, rebutting the argument that increasing small claims jurisdiction would be too costly for the courts.

Lawyer Accountability

HALT's Lawyer Accountability Project works to improve consumer protections against unethical, negligent and incompetent lawyers. In 2003, our advocacy efforts focused on improving rules that govern attorney conduct, promoting mandatory legal malpractice insurance coverage and reforming attorney discipline systems nationwide. With successes in key jurisdictions such as California, the District of Columbia, Florida and Texas, HALT's Lawyer Accountability Project is gaining momentum and increased public attention.

CALIFORNIA—HALT submitted two sets of comprehensive comments urging the California Law Revision Commission to reject special protections for incompetent estate planning attorneys. Estate planners pushed lawmakers to shorten the statute of limitations for bringing an estate planning malpractice case, making it almost impossible for victimized clients and beneficiaries to discover errors in their wills and trusts in time to bring a malpractice suit. As the only independent voice for consumers in this battle, HALT persuaded the Commission to reject the estate planning attorneys' self-interested proposal.

DISTRICT OF COLUMBIA—At HALT's urging, the Court of Appeals increased bar dues by 25 percent to address urgently needed reforms in the

“Overall, increasing a state’s jurisdictional limit for small claims cases has, at most, a minimal and fleeting impact on the small claims court’s caseload.”

—HALT White Paper, “The Sky Will Not Fall: The Effect of Raising Jurisdictional Limits on Small Claims Court Caseloads”

District’s lawyer discipline system. Citing widely publicized instances of ethical abuses by court-appointed guardians and evidence of a grave resources crisis in D.C., HALT successfully argued that the Court should earmark the \$2 million in additional revenue to relieve the rapidly-building backlog of cases.

FLORIDA—Prompted by HALT’s Lawyer Discipline Report Card, Florida Bar regulators conducted a far-reaching evaluation of the state’s attorney discipline body. Florida newspapers, including the *Miami Daily Business Review* and the *Palm Beach Post*, prominently featured HALT’s reform recommendations as part of the ongoing debate.

NEW JERSEY—HALT filed comments with the New Jersey Supreme Court urging it to abolish a disciplinary “gag” rule that holds consumers in contempt for simply disclosing the fact that they have filed a grievance against a lawyer. HALT argued that the “gag” rule infringes upon citizens’ constitutional right to free speech, and violated the state’s tradition of sunshine and transparency in public proceedings.

TEXAS—HALT’s evaluation of Texas’ lawyer discipline services and client compensation program, and a prominent HALT opinion piece for the *Texas Lawyer*, laid the groundwork for a major overhaul of the Chief Disciplinary Counsel’s office at the State Bar.

NATIONALLY—HALT led the opposition to a toothless proposal by the ABA Standing Committee on Client Protection that merely required disclosure of legal malpractice insurance coverage to a state’s highest court rather than mandatory coverage. Noting that the proposed rule lacked clear guidance, HALT urged the committee to offer meaningful protection to legal consumers by modifying the rule to make malpractice insurance coverage mandatory.

HALT’s Lawyer Discipline Report Card was the central topic of discussion at a seminar on “Disciplinary Agencies’ Best Practices” at the ABA’s National Conference on Professional Responsibility held in Chicago. Report card findings generated an energetic debate among disciplinary officials about the goals of disciplinary bodies and the best methods for implementation.

Judicial Integrity

Americans deserve a legal system with judges who are honest and publicly accountable. HALT’s Judicial Integrity Project works to prevent judicial conflicts of interest, expand financial disclosure rules and limit privately funded junkets for judges.

NATIONALLY—HALT testified before a Joint Commission revising the Model Code of Judicial Conduct, urging it to issue clear, specific ethical standards requiring convenient public access to full and complete judicial financial disclosure reports and recusal lists, which detail judges’ economic interests and the relationship of those investments to the cases over which they preside. HALT also called for restrictions on judicial vacations funded by private corporations that purport to “educate” judges through one-sided, self-interested seminars.

“More dollars alone will not put real teeth into the discipline system, end the continual delays or restore lost public confidence in our ability to hold unethical lawyers accountable. These problems are more deep-seated and demand a more radical response than simply throwing money at the system and hoping for the best.”

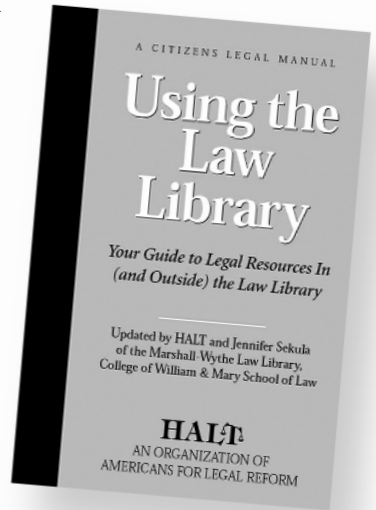
—James Turner and Suzanne Misbkin,
“Create Discipline Systems That Engender Trust and Respect,” *Texas Lawyer*, September 15, 2003

HALT successfully persuaded the ABA to retain the judicial requirement to “avoid the appearance of impropriety.” This year, staff also compiled information about the judicial complaint commissions in every state and each Federal Circuit. This basic consumer resource, now available on www.halt.org, educates the public about the grounds for disciplinary action in each jurisdiction, the process for filing complaints and the mechanism for judicial complaints hearings.

Education

Since 1982, *Using the Law Library* has demystified this important resource, and in 2003, HALT released a revised and expanded version of the manual, working with William and Mary’s Law Librarian Jennifer Sekula. The new edition now includes information about online tools and changes in law library locations—and with the help of easy-to-understand and well-organized chapters—explains how to find, read, update and use the library resources needed to understand legal problems.

In 2003, HALT also started work with law librarians at the University of California’s Hastings College of the Law to update *How Courts & Judges Work*. The new edition, which will be released in the fall of 2004, covers all of the latest court reforms, includes a new chapter for *pro se* litigants (those who wish to represent themselves) and contains over 70 pages of flow charts and information on each state’s court system.



Two new *Citizens Legal Guides* were also produced in 2003. “*Where Do I Go For Legal Help?*” and “*I Have a Problem with My Lawyer...What Can I Do Now?*” Both guides are available to the public for free and can be downloaded from www.halt.org.

Finally, www.halt.org offers new Everyday Law guides including: *Personal Injury Law; Mediation & Arbitration; Writing Your Will; Changing Your Will; Lawyer-Client Fee Arbitration; Finding a Mediator; and Conservators and Guardians*.

Internship Program

HALT’s internship program provides college and law students a unique opportunity to learn about issues affecting consumers of legal services, while at the same time providing invaluable research assistance to HALT and helping to train the next generation of public interest advocates. HALT hosts four interns for each semester and during the summer, as they conduct research, track legislation, answer queries from users of the legal system and write articles for HALT’s quarterly newsletter, *The Legal Reformer*.

“The internship was an incredible chance for me to learn about issues surrounding legal reform. I’ve learned an enormous amount and am so glad I took advantage of a wide variety of experiences both here at HALT and in D.C.”

—Christine Alvarez, Duke University ‘04,
HALT Intern Spring 2003

Legal Information Clearinghouse

HALT's Legal Information Clearinghouse helps legal consumers navigate through the frequently thorny civil justice system. Our no-nonsense approach helps ordinary Americans find legal malpractice lawyers, independent paralegals, lawyer referral services, mediators, and a wealth of legal resources, including books, articles and law-related Web sites.

"Before I found HALT, I spent thousands of dollars for legal fees that had nothing to do with the law. With the help of HALT's book, Using a Lawyer, I was able to challenge an "overlawyering" situation and received a refund of more than \$2,500. Had I known about HALT when my small-stakes divorce nightmare began, my life would have been entirely changed. Thank you!"

Barbara Graybeal, North Carolina

Public Outreach

HALT on the Internet

Our Web site, www.halt.org, has gone through several evolutions and now offers visitors an unparalleled selection of past HALT *The Legal Reformer* newsletter articles, informational brochures, guides from our *Everyday Law Series* and HALT testimony on current legal reform activities. In addition, www.halt.org also supports secure online ordering for the self-help publications we offer and informs consumers about legal reform issues happening in their region of the country. In August 2003, HALT launched the HALT *eJournal* which is e-mailed to more than 800 activist subscribers twice each month and includes HALT and legal reform news.

"Thank you for providing me with the information you did and trying to assist me. I wish everyone at HALT success in their endeavors to reform the legal system and commend you all for taking on such a difficult challenge."

—Frances Brill, HALT Supporter

HALT in the Media

HALT continues to attract media attention for its important legal reform work. Some of the news sources that featured HALT's work in 2003 include:

U.S. News and World Report, The Chicago Tribune, The New York Times, The Washington Post, Legal Times, The Los Angeles Daily Journal, The National Law Journal, ABA Journal, Texas Lawyer, The Baltimore Sun, Hartford Courant, The Philadelphia Lawyer, The San Francisco Recorder, Dallas Morning News, Gazette Newspapers, The Philadelphia Inquirer, Denver Post, Pittsburgh Tribune-Review, St. Petersburg Times, The Savannah Morning News, Salt Lake Tribune, Associated Press, BottomLine Personal and The Drudge Report.

2003 Financial Statement

BALANCE SHEET

(with comparative totals for 2002)

ASSETS		
	2003	2002
Current Assets		
Cash & Cash Equivalents	\$ 108,080	\$ 94,139
Investments	3,088,369	986,404
Accounts Receivable	150	10,926
Prepaid Expenses	27,620	8,425
Inventory	85,687	67,171
Total Current Assets	3,309,906	1,167,065
Long-Term Assets		
Property & Equipment (Net)	29,749	25,726
Other Assets		
	4,565	4,565
TOTAL ASSETS	\$ 3,344,220	\$ 1,197,356
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued Liabilities	\$ 18,800	\$ 54,394
Deferred Compensation	28,822	23,003
Total Current Liabilities	47,622	77,397
Net Assets		
Unrestricted	3,296,598	1,119,959
TOTAL LIABILITIES AND NET ASSETS	\$ 3,344,220	\$ 1,197,356

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

REVENUES & EXPENSES

(with comparative totals for 2002)

REVENUE		
	2003	2002
Support and Revenue		
Contributions	\$ 2,048,953	\$ 850,427
Dues	533,999	538,295
Investment Income	98,140	35,135
Rental Income	7,073	6,386
Other Income	12,576	9,596
TOTAL SUPPORT AND REVENUE	\$ 2,700,741	\$ 1,439,839
EXPENSES		
Program Services		
Education	\$ 344,400	\$ 251,671
Advocacy	325,676	175,018
Research & Planning	172,935	128,101
Membership Programs	—	241,230
Total Program Services	843,011	796,020
Supporting Services		
Membership Development	76,992	1,447
Fund Raising	44,552	87,188
General & Administrative	20,063	76,001
Total Supporting Services	141,607	164,636
TOTAL EXPENSES	\$ 984,618	\$ 960,656
Change in net assets		
from operations	1,716,123	479,183
Unrealized Gain/(Loss)	460,516	(106,504)
Change In Net Assets	2,176,639	372,679
Net Assets, Beginning of Year	1,119,959	747,280
Net Assets, End of Year	\$ 3,296,598	\$ 1,119,959

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