"It is unlawful for a lawyer to volunteer advice to bring a lawsuit, except in those cases where ties of blood, relation or trust make it his duty to do so."

Apart from Mr. Ortega's apparent disregard for this canon, his conduct vis a vis police officer Brown is patently "unprofessional" by any standard. (Exhibit 17-0080)

(11) CRLA attorneys of Madera County, in the welfare matter of Maria Molina, drafted a trust agreement with Maria Molina designed to hide the proceeds of a sale of real property from the Madera County Welfare. Maria Molina was (at the time CRLA drafted the trust agreement) on the Madera County Welfare rolls. The trust agreement drafted by CRLA placed in trust the proceeds of the sale in lieu of reporting the proceeds to the welfare agency. (Exhibit 17-0078)

(12) Edward Chidlaw, President of the Madera County Bar Association, in an affidavit dated December 11, 1970, stated that a letter critical of the Madera City Council and Police Department was sent to a Madera Newspaper. This "Letter to the Editor" purported to speak for seven youths who were arrested on July 27, 1969, for disturbing the peace. We identified the letter as being written on CRLA stationary by the union identification mark which appeared at the bottom of each page. The fact that the letter was written on CRLA stationary indicated

to this office that a very strong possibility exists that CRLA was largely responsible for the contents of the letter.

One of the seven defendants, Scott Ingle, was represented by Mr. Chidlaw. When Mr. Chidlaw contacted his client and asked him why he had signed his name to such a letter, the boy replied that he had never seen the letter before. A brief examination of at least two other signatures on the letter (copy attached) indicate that they were written by the same person. This further serves to refute the possibility that the letter was indeed the combined and mutual effort of the seven defendants involved. (Exhibit 14-0125)

(13) WHAT IS CRLA DOING TO MAINTAIN PROFESSIONAL STANDARDS?

The above sequence of cases portray a profile of crass, vulgar and unprofessional behavior of CRLA staff members in their professional capacity.

We have no record of any official punitive CRLA action concerning these incidents or the individual staff members involved.

E. HARASSING AND FRIVOLOUS ACTIONS ON THE PART OF CRLA

CRLA attorneys, as are other attorneys, are prohibited from engaging in harassing and frivolous activities.

> "The lawyer must decline to conduct a civil cause or to make a defense when convinced that it is intended merely to harass or to injure the opposite party or to work oppression or wrong. But otherwise it is his right, and, having accepted a retainer, it becomes his duty to insist upon the judgment of the court as to the legal merits of his client's claim. His appearance in court should be deemed equivalent to an assertion on his honor that in his opinion his client's case is one proper for judicial determination."
>
> (Canons of Professional Ethics of the American Bar Association, Rule 30 - emphasis added.)

> "A member of the State Bar shall not accept employment to prosecute or defend a case solely out of spite or solely for the purpose of harassing or delaying another; nor shall he take or prosecute an appeal merely for delay, or for any other reason, except in good faith."
>
> (Rules of Professional Conduct, State Bar of California, Rule 13 - emphasis added.)

> "A member of the State Bar shall not advise the commencement, prosecution or defense of a case, unless he has been consulted in reference thereto, except when his relation to a party or to the subject matter is such as to make it proper for him to do so."
>
> (Rules of Professional Conduct State Bar of California, Rule 10.)

"Nothing operates more certainly to create or to foster popular prejudice against lawyers as a class, and to deprive the profession of that full measure of public esteem and confidence which belongs to the proper discharge of its duties than does the false claim, often set up by the unscrupulous in defense of questionable transaction, that it is the duty of the lawyer to do whatever may enable him to succeed in winning his client's cause . . . <u>But it is steadfastly to be borne in mind that the great thrust of the lawyer is to be performed within and not without the bounds of the law</u>. The office of attorney does not permit, much less does it demand of him for any client, violation of law or any manner of fraud or chicane. He must obey his own conscience and not that of his client."

(Canons of Professional Ethics of the ABA, Rule 15-emphasis added)

An affidavit from Mr. Norman Shaw, attorney, and a member of the Board of Directors for the Legal Aid Society of San Joaquin County, deals at length with <u>harassing tactics used by Edward Mattison, attorney with the CRLA office in Modesto, California</u>.

Shaw was representing a Mr. and Mrs. Pena, recent purchasers of an apartment house in Stockton, California. A 30-day notice to vacate was served upon the tenants of the apartment house on October 1, 1970, for the purpose of refurbishing the premises. Mr. and Mrs. Pena received a letter from Mattison dated October 12, 1970, in which he informed the Penas that he had been asked to represent the affected tenants of the apartment house (Modesto is located approximately 30 miles from Stockton,

with the latter city being a metropolitan area.) Two days later, Shaw received a letter from Mattison stating that he had accepted the rent money for October from a number of the tenants and would retain it until the occupants were apprised of Shaw's opinion that the rent was due forthwith and should not be held for some reason. One day later the San Joaquin District Health Officer declared the premises unfit for human habitation, and on October 19, Shaw received another communication from Mattison promising to be in touch with him the following day regarding the due rent. It was not, however, until October 30th that Mattison recommunicated with Shaw, stating that he would not remit the due rent money until such time as written assurances were received that the tenants could continue to live on the condemned premises until there were able to find a new place. Shaw refused to give any written assurances. Finally, on November 24, 1970, Mattison again communicated with Shaw, stating that all but one of the families had left or paid their rent, and concludes the letter by saying:

> "I am sorry for the delay because I realize that the Penas are by no means wealthy themselves."

And so, an "unwealthy" couple is forced to retain a private attorney at their own expense and is delayed for almost two months in receiving their justly due rent moneys. (Exhibit 02-0019)

In the suit of Godley, et al, v. Knudsen Creamery Company, et al, San Francisco Superior Court No. 625183, CRLA is suing eight milk companies for code dating milk cartons, rather than using a clearer system of date marking. This case alleges that poor people are getting old milk because of the "unfair and deceptive" practice of the milk companies. Despite the fact that the Legislature recently determined the coding practice to be satisfactory, this suit has been filed to harass the dairy companies, and if successful, will cause the cost of milk to increase as much as three cents a quart, according to dairy spokesmen. (Exhibit 02-0022.)

An affidavit from Robert R. Stewart, Judge of the Justice Court, Guadalupe Judicial Court, gives us an example of harassing of the court systems by CRLA. It quotes as follows:

> "I wrote a letter to CRLA headquarters in May 1969, inquiring as to whether or not CRLA could enter into criminal proceedings. This letter was answered in July 1969, stating that CRLA did not handle criminal matters. The reason for this inquiry was prompted by CRLA which represented two clients in criminal proceedings in my court. I do not have the names of the persons involved in these matters, however, if it ever becomes necessary, I can have the members of my staff research through my records and obtain the facts concerning these particular incidents. Some time after I received this letter, I became subjected to harassment type tactics from CRLA whereby several clients represented by CRLA filed affidavits of prejudice against me. On the basis of the facts in these cases, such

affidavits were entirely unreasonable. When I inquired of these people as to why they filed such affidavits, the only response I received was that CRLA had advised them to do this. I feel that such actions present an undue hardship upon this court because I am the only judge in Guadalupe and, therefore, it would necessitate the County spending money to have another judge come from another area to sit on this bench." (emphasis added)

This is only the first of the items covered by Judge Stewart. He goes on to further state:

"I feel that because of my close association with the people in this community I have been aided in my responsibility and that such association does not hinder justice. A particularly personal example of CRLA becoming involved in a criminal manner concerns a case of T. Cardoza. Mr. Cardoza was found guilty, in 1968, of a traffic violation and was fined $115. In September 1970, I received a telephone call from Mr. Burton Fretz, chief attorney for CRLA. Mr. Fretz inquired as to whether or not Mr. Cardoza had been charged with drunk driving at the time of his arrest. I informed Mr. Fretz that Mr. Cardoza had been charged with drunk driving, however, this charge had subsequently been reduced to reckless driving. This was the substance of the telephone conversation between Mr. Fretz and myself. In October 1970, I learned through a story released in the Santa Barbara press that CRLA was attempting to have the decision against Mr. Cardoza reversed because Mr. Cardoza had not been informed of his constitutional rights. The fact of the matter is that the contention of CRLA is not correct. At the time of his hearing, Mr. Cardoza had been made aware, through an interpreter in this court, what he was charged with and what his constitutional rights were. I had not released this information concerning Mr. Cardoza to any newspaper and, therefore, I feel the only way such information could have been released would have been through the office of CRLA. After I filed an answer to the writ of habeas corpus,

> CRLA sought to have the case removed from the court calendar, however, this was blocked by the District Attorney of Santa Maria and a hearing was set for December 2, 1970, but the matter is still pending. I feel that CRLA attempted to remove this matter from the court calendar after the news had been released through the paper so that I would be unable to clear myself in this matter. I fully intend to pursue this matter because I feel that the facts in the case will prove that there was no wrongdoing on my part. My office staff has been subjected to some harassment by CRLA with respect to requests that they submit to my office. CRLA has demanded that their inquiries be answered immediately instead of asking for such information in a polite manner. I do not have a very large staff and they do their best to answer all requests from all agencies." (Exhibit 02-0026 - emphasis added.)

Mrs. Florence Kinlock, Director of Imperial County Welfare Department, has stated that she has been subjected to harassment from CRLA as indicated by demands made on her by the El Centro CRLA office in the following instances:

(a) Letter of CRLA attorney Altschuler, July 13 1970, in which he asserts the constitutional rights of individuals are being violated because prior notice is not given to welfare recipients before they are terminated;

(b) Letter of Ollie Rodgers, CRLA community worker, of September 12, 1969, asking for changes in selection of representative for welfare recipients;

(c) And letter of Altschuler, November 25, 1970, charging Welfare Department's gross under-utilization of Spanish-surname employees, which is so unclear

that it resulted in the following reply from Mrs. Kinlock:

> "Dear Mr. Altschuler:
>
> In reply to your letter of November 25 in which you made many allegations against the Welfare Department, I shall not grant your request to meet personally with me for discussion.
>
> The method of your approach and the contents of your letter require that any discussion should take place with your own profession, therefore, a copy of your letter is being forwarded to the County Counsel. Another reason for this is that to me as a layman the contents of your letter are so poorly based and disconnected that I am unable to cope with it.
>
> You should take note of the fact that you are the only one of the four CRLA attorneys who came to Imperial County about a year ago whose methods close the door to discussion with me. Because of your method of approach and lack of information concerning the Welfare Department, County Government and State agencies, please in the future refer all matters direct to the County Counsel. Our staff will also be so advised.
>
> Sincerely,
>
> Mrs. Florence Kinlock, Director
> November 30, 1970."

Mr. Altschuler answered her letter on December 2, 1970, disagreeing with her letter of November 30 and closed out his letter with the following paragraph:

> "Your letter would appear to foreclose informal methods of resolving problems, thereby necessitating my recourse to more formal procedures to vindicate the legal rights of my clients. I would deeply regret my having to undertake this course of action, for it would inevitably lead to inconvenience for all concerned."

In a memo to Mr. James Harmon, County Counsel from Mrs. Kinlock on November 4, 1970, regarding Altschuler's letter of December 2nd, Mrs. Kinlock writes as follows:

> "He does not seem to realize that his letters contain threats that make it illogical for me as a lay person to meet with him. Even his letter of December 2 still contains the threat of 'course of action.' On the subject he proposes, my own thinking is to let him 'take action.' In the first place specifically what group is it he wants hired? In addition, he is laboring under several misapprehensions. There will be no reply to this one from me."

This is a good example of the polarization that CRLA attorneys are developing between their offices and various County and State agencies. (Exhibit 02-0027)

In an affidavit from Russell H. Green, President of Simi Winery, Inc., of Healdsburg, California, Mr. Green discusses a case filed against himself, his partner and his ranch manager by CRLA on behalf of one Adolfo Olivas, a vineyard worker terminated for numerous absences from work and use of intoxicants while on the job. The suit was filed in U.S. District Court in San Francisco on September 1, 1970, complaint number C 70 1853, as a class action alleging Olivas' employment had been unfairly terminated and that non-resident alien workers were hired to replace him. On November 19, 1970, judgment was entered in favor of the defendants but is presently being appealed. Before Green had any knowledge that a suit was being

filed against him there was a big press release in the Santa Rosa Press Democrat that his vineyards were being sued for firing domestic workers and replacing them with wetbacks. This action not only resulted in unfavorable publicity, but also cost $3,700 to defend. (Exhibit 02-0121)

In Rodriguez, et al, v. Duane Furman, et al, Madera Superior Court, Case No. 15641, Madera CRLA attorney Barbara Sena represented a group of parents and students against the Madera Unified School District in 1967. The School District had closed the schools for five days so that students and teachers alike would be free to aid in the critical task of harvesting the local grape crop, which was in great danger of spoiling. The suit charges that plaintiffs had suffered irreparable damage by the schools being closed; states that defendants did not check to be sure children didn't work without permits; and that plaintiffs were exposed to unsanitary conditions, etc. All that the School District had done was to close the schools to help prevent the entire grape crop from being lost, which would have resulted in a tremendous economic hardship on the entire community. The judge agreed with this and the case died with demurrer; however, it is still under appeal.

In an open letter to the Madera Unified School

District from Duane E. Furman, District Superintendent, October 15, 1969, Mr. Furman comments on the above case. He says that school days lost by the closing of the schools were made up during the school term. He goes on to say:

> "During the trial a witness (one of the plaintiffs) included in his testimony a statement that the schools and rich farmers were going to be made to pay for what they had done to the Mexican people. The District won the case on all counts. The cost to defend this suit was approximately $7,500 of educational funds. Cost to the taxpayers for the preparation of CRLA, since they used several attorneys was probably considerably more." (Exhibit 02-0122)

In the case of Ray and Sena Radley v. Mona Randall, et al, in the Municipal Court of the Central Judicial District for the County of Sonoma, California, No. 24607, an unlawful detainer action, the defendant claimed that property was in "substantial violation" of the housing code, and that defendant had "repeatedly and continually" informed Fred Bollinger, real estate agent for the property, of these violations. This is refuted by Mr. Bollinger. In addition, the defendant asked general damages of $20,000, plus $625 for rent already paid due to injuries sustained by defendant in a fall on the premises.

CRLA filed five affirmative defenses, totaling 7 pages, and three counterclaims, totaling 3 pages. Hearing

date on motion to set aside arrived and CRLA and defendant failed to appear. The defendant quit property shortly thereafter. (Exhibit 02-0123)

As referred to in the montage section of our report, the Kathe Fish and Gavilan College incident is nothing more than the actual use of legal processes to harass. (Exhibit 02-0124)

In an affidavit of William Leach, Director of Welfare, Monterey County, he makes the following statement:

> "I have had extensive contact with representatives of California Rural Legal Assistance organization. It has been my experience that the CRLA is more interested in representing causes than they are individuals. It has also been my opinion for some time that their cases are more harassing and/or publicity cases than cases whereas they are truly interested in the person involved. It is also my opinion, from personal experience, that CRLA is not interested as to what can be accomplished with the money that is funded to a state agency but how much they can get from the taxpayers and therefore show certain portions of the community how great they are at the expense of the rest of the community. I do not think that the CRLA is doing a good job representing welfare recipients, as they are not interested in learning the mechanics of how the Welfare Department has to operate but more on changing regulations regardless of how it may affect people personally or the department financially. I am sure that they would be able to do a much better job if they cooperated with the Department more rather than demand such and such or they would take the Department to court attempting to use them as a lever rather than attempting to iron out problems as most attorneys will before taking court action . . ." (Exhibit 02-0163)

The Santa Rosa office of CRLA filed a class type action in the form of a Complaint for Declaratory Relief on behalf of Arthur and Bonnie Self, individually, and as representatives of a class of persons pursuant to CCP 382, in November of 1967. This arose out of a writ of attachments against their client's paycheck and an attachment in the amount of $60.00. In their own pleadings, CRLA sets forth that this was an assigned claim to a collection agency and that none of the alleged debts set forth in the original complaint in said action filed in the Municipal Court for the Central Judicial District of the County of Sonoma, State of California was in the total sum of $444.18. By this action the California Rural Legal Assistance brought a change of court from the lower court to the higher court incurring additional expense by way of court costs and attorneys fees to the original plaintiff and actually accomplished no more than they could have accomplished by a simple claim of exemption. (Exhibit 02-0020)

In 1968, the city of Imperial, California, was negotiating an application for a loan and grant with the Economic Development Administration. The purpose of this loan was to refurbish and extend the city's sewer and water facilities to the south end of the Imperial County Airport which is within the city limits of Imperial.

An election had been held on a referendum basis pertaining to this EDA application wherein revenue bonds were approved to finance the City's share of the project by a plurality in excess of 90% of the voters. However, the CRLA representatives, James Lorenz, then a staff attorney for CRLA and now a deputy director, and Donald Jueneau, a non-admitted attorney in California, contacted city officials on behalf of a number of "residents." They expressed the dissatisfaction of their "clients" with the outcome of the election and the purpose of the loan, implying expensive litigation to overturn the results of the election and negating the loan if their various demands were not met.

After a series of private meetings at which these threats were made, and a public meeting at which they were inferred, CRLA presented a list of their purported plans and it was determined that a good number of their clients were not even residents or voters of the City of Imperial. (Exhibit 02-0021)

Another class action filed by Madera CRLA attorneys against the Madera County Welfare Department alleged that three children, purportedly under the age of 16, and their grandmother were removed from the AFDC roles of the Welfare Department because the children did not work in the local grape harvest during the time the

Madera schools were closed for that specific purpose. In addition to general damages in the amount of $22,050 for the plaintiffs, the sum of $200,000 was asked as punitive damages for "persons similarily situated." This action was clearly one of harassment in nature as it could easily have been settled by a conversation with the Welfare Department or, if necessary, settled through an administrative process. This would have alleviated the general damage loss by reason of retroactive payment. (Exhibit 02-0023)

A harassing defensive action in response to a simple unlawful detainer pertaining to the residency of a small dwelling was filed by Santa Rosa CRLA attorneys in 1969. (Radford vs. Wimmer, Municipal Court for the Central Judicial District, County of Sonoma, No. 23111) This lawsuit was predicated upon a three-day notice to vacate served on the defendant on October 14, 1969. The unlawful detainer was filed on October 20, 1969, which was followed by the CRLA action which consisted of an answer to the complaint, October 27, interrogatories to plaintiff on October 27, a notice to set on November 11th and a continuance to the Master Calendar on November 12, a notice of motion to compel answers to the interrogatories on November 19, a notice of motion for summary judgment on November 14, answers to the interrogatories on November 17, and an argument on the motion on November 24. This finally re-

sulted in a trial date being set, at which trial the defendant did not appear and the attorney acting in behalf of CRLA at the trial, Miss Lagomarsino, stipulated to a judgment for the plaintiff in the amount of $135.00 in rent and the costs of the lawsuit. Actually the only thing which was accomplished in this matter was a profit to the attorney for the plaintiff and a delaying tactic for the defendant, the CRLA client. (Exhibit 02-0028)

In our evaluation, in case after case, including the above, there seems to be an immediacy and finality in the modus operandi of CRLA attorneys in lieu of reason, negotiation and calculation. They are prone to sue, seek injunctive action, as in the vernacular "do their thing", without due respect to the disciplined manner of thought process that is so vitally important to the practice of law.

They are prone to initiate actions without regard to a cost or time factor that would be prohibitive for a private attorney and his client.

F. WASTE, INEFFICIENCY AND MISUSE OF RESOURCES

> "No matter how many hours a day the (legal services offices) remain open, no matter what systems are used to streamline intake and processing, the offices cannot handle the floods of people that come to them for legal help . . ." (Quoted from a speech given by former CRLA Deputy Director Gary Bellow at the Harvard Sesquicentenniel Celebration in late 1967, in CRLA's 1971 Refunding Proposal, page 31.)

Despite pious statements like the above, we discovered numerous instances in which CRLA misuses the resources it so often declares to be inadequate. Often the problem is simple waste. But a few cases cited below suggest a problem more than mere waste.

(1) Filed a suit against the Madera Unified School District in Madera, California, to prevent the closing of a local school, which would permit teachers and students from participating in an emergency grape harvest. In the course of handling the matter, CRLA demonstrated a total disregard for cost. For example, two attorneys, a law clerk and an investigator were usually all present during the taking of depositions when all that was necessary was one attorney. Efforts were also made to make photocopies of voluminous school records, whether or not they were relevant to the issues in the case. (Exhibit 13-009A)

(2) In the unlawful detainer action of Watts v. Parker during a three-day jury trial in the Modesto Municipal Court, three CRLA attorneys and a CRLA investigator sat through almost all of the trial. During the same period the Madera office had a policy of refusing to handle domestic matters. (Exhibit 10-0054)

(3) In March and April 1970, CRLA attorneys Philip Newmark and Don Lowenstein organized and encouraged students to demonstrate against the Modesto Unified School District in connection with a decision of the School District to drop-out of the national school lunch program. For nearly six weeks these two attorneys were occupied in either participating in the demonstration or representing defendants arrested for trespass during it. The Reverend Monroe Carter Taylor, director of Social Services at the King Kennedy Memorial Center in the City of Modesto and a member of the Advisory Board of CRLA's Modesto office remarks on this allocation of time spent by the two attorneys, either participating in the demonstrations or defending the demonstrators, Reverend Taylor relates the following incident:

> "While I was at the City School Office demonstration scene I had a conversation with Mr. Newmark relative to his counseling of the demonstrators who should have been in school. The issue was what these young children were going to eat.

"Mr. Newmark remarked, 'Monroe, feed the children something to eat and charge it to CRLA.' After the school demonstrations I talked to David Talamante, Manager of the then Stanislaus County Cooperative Association, 409 Mace Road, Modesto, who had furnished the demonstrators lunches, and he told me that he had billed CRLA $400 for the food and that they had paid for it. I think that this was a misdirection of funds."

(4) Further on in his affidavit Reverend Taylor relates another flagrant misuse of funds:

"I think that there was another instance of misdirection of funds and that was during the campaign for State Assemblyman by one MacLovio Lopez. Mr. Lopez was in my office attempting to solicit my support. I told him I couldn't support him because he did not have the funds to expend in printing materials for his campaign that would make it a success. He said that CRLA had made cash contributions to his campaign fund and that the CRLA office had printed and reproduced brochures, bumper stickers and various other materials free of charge to him. I talked later to a member of the CRLA staff, who is no longer on the staff, and found what Mr. Lopez told me was true. Apparently they also printed up bumper stickers advocating free lunches for the children during the Modesto City School Bond elections. I feel that the funds were not properly used as there was a heavy caseload of poor clients who needed representation while the two lawyers were off involved with demonstrations and defending them in court. In fact, it was during this period that I telephoned Mr. Sal Espana of Governor Reagan's staff requesting an audit of CRLA books to determine how the funds were actually being used." (Exhibit 10-0062)

(5) Roy T. Hodge

The Modesto office of CRLA accepted the defense

of a Mr. Roy T. Hodge in a suit brought by the Stanislaus Credit Control Service for a legal fee of $650, owed to a local attorney. Throughout most of the two-day jury trial, two members of CRLA, in addition to the CRLA trial attorney, sat in the courtroom as "observers." The attorney for the plaintiff states that:

> "the time, expense and manpower consumed by the CRLA attorneys in defense of this case was unjustified, and the efforts made to negotiate a settlement in advance were far short of those to be expected in the expeditious handling of such matters." (Exhibit 10-0055)

(6) Attorney Philip P. Pendergrass recites in affidavit an incident demonstrating CRLA's sloppiness in the holding of trust monies as well as waste of manpower resources: (Exhibit 09-0105)

> "In 1969, I had occasion to be involved in litigation with the California Rural Legal Assistance of Modesto, California . . . CRLA filed a lawsuit attempting to obtain restraining orders against Mr. Fullon (the plaintiff) from evicting the tenants in occupancy and to further obtain damages as a result of defective housing. Fullon was an individual who was permanently and totally disabled and was receiving social security; and the income from the rentals plus his social security constituted his entire income which put him at a level declared to be of a poverty level. . . . the County Health Office of Stanislaus County had complaints made to it and, therefore, work was demanded by them on the premises. Further (CRLA attorney), Mattison had accepted money purposed for rental pursuant to Section 1942 of the California Civil Code. The money was placed in the trust account and no repairs were made by the tenant. The amount of money was $65.00 which was held. Subsequently, an agreement was made between Attorney Mattison

> and myself that Mr. Torres' money would be turned over to Mr. Fullon upon the completion of certain repairs. Those repairs were, in fact, made. Subsequently, the money held by CRLA, in their trust account was delivered back to Mr. Torres rather than being turned over to Mr. Fullon pursuant to agreement. However, thereafter, a letter was received from Mattison indicating that because of his being out of the office at the time CRLA's client asked to have his money returned, the money was returned without knowledge of an agreement which has been entered into. Fullon did not receive his rental money in that Torres apparently left the State and returned to Mexico."

(7) . . . It is apparent that in the holding of trust monies, CRLA is extremely loose. There would appear to have been no notation in the file or whoever returned the money did not examine the file to be aware of an agreement which had been entered into. . . . The net effect of the action by CRLA was as follows:

(a) The property owner who was financially unable to pay legal costs, rent or legal fees and court costs which he was then and now is unable to pay;

(b) The time required for legal services was extensive and appreciably reduced counsel's time and ability to serve other clients;

(c) At all hearings and under all circumstances involved, generally there were two CRLA attorneys present.

A hearing on motion to dismiss by the filing of a

demur and motion brought by CRLA, for temporary restraining order was heard on Municipal Court and on that occasion Kelly and Mattison were both present wherein the matter could have reasonably been handled by one attorney and the operation was therefore, inefficient. . . . The court time was taken on a matter which should have been resolved without the necessity of litigation and the exercise of the necessary rights. (Exhibit 09-0105)

(8) In June 1970, the El Centro office of CRLA on two separate occasions purchased 22 x 28 white poster board in large quantities, copies of the invoices for which are attached as exhibits (Exhibits 03-0153-01 and 02). These two purchases occurred at the same time as UFWOC's melon strike and picketing in Imperial County at which 22 x 28 poster board was used for picket signs.

Later in the year in late November, the El Centro office again purchased (Exhibit 03-0153-01) poster boards. Within two weeks the UFWOC demonstrations (of December 11) to free Cesar Chavez used 22 x 28 poster board. (Also see Exhibit 03-0198 on this point.)

(9) On March 30, 1970, Mr. and Mrs. Lonnie Anderson filed a free lunch application with Mr. Clyde R.

Hull of the Modesto City Schools. The Anderson's stated that they had outstanding bills, including one which was a personal loan from CRLA for $32.00. On May 15, 1970, the Anderson's reapplied and stated that they had a personal loan from CRLA. (Exhibit 10-0058)

(10) One attorney relates his experience with CRLA in a landlord-tenant suit of minimal damages:

> "My condemnation lies with the fact that they (CRLA) had two attorneys in addition to the trial attorney and an investigator, sit through almost all of this trial. It is common knowledge that CRLA does not take needy clients insofar as domestic matters are concerned. This, they declare to be a policy in their office. It would seem to me that if they had time to have those attorneys tied up in a landlord-tenant lawsuit, just listening to the case and observing, they should have time to handle the needy clients in regard to domestic matters." (Exhibit 04-0039)

A Section on waste and misuse of resources could naturally include recitation of time spent and resources spent pursuing matters that fall into most of the other categories in this report. We have limited this particular section, however, only to misdirection of funds and wastes of attorney and office resources. Throughout the state we heard observations by local attorneys and judges that CRLA attorneys often travel in groups of two's and three's wherever they go during the working day. In view of the severe legitimate needs that the poor have for legal services, this form of waste seems inexcusable.

G. PUBLICITY

"Newspaper publications by a lawyer as to pending or anticipated litigation may interfere with a fair trial in the Courts and otherwise prejudice the due administration of justice. Generally they are to be condemned. If the extreme circumstances of a particular case justify a statement to the public, it is unprofessional to make it anonymously. An ex parte reference to the facts should not go beyond quotation from the records and papers on file in the court; but even in extreme cases it is better to avoid any ex parte statement." (Canons of Professional Ethics of the American Bar Association, Rule 20.)

In an affidavit of Joseph Graziano, dated December 9, 1970, Mr. Graziano makes the following statement:

"I am the city editor of the Santa Maria Times, 201 West Chapel, Santa Maria, California, and I've been in this position since June, 1970. Prior to this date, I worked for the Santa Maria Times as a reporter. During the period 1966 to 1969, in my capacity as a reporter, I reported on the suits being filed within the Municipal and Superior Court system of Santa Maria Judicial District. While employed by the Santa Maria Times, I have been aware of the activities of the California Rural Legal Assistance (CRLA) with regard to press releases submitted by CRLA. These press releases have been concerned with lawsuits filed by CRLA. Included among the various suits submitted by CRLA have been those filed against the Lucia-Mar Unified School District, Pismo Beach, one against the owner of the Santa Maria Berry Farm which alleged pesticide poisoning and one against the San Luis Obispo Welfare Department. The latest press release was received by me over the telephone from Burton Fretz, Chief Attorney for CRLA, which disclosed that CRLA was filing a suit against the Budget Finance Plan of Santa Maria. This

story appeared in the December 2, 1970 issue of the Santa Maria Times. All of the press releases submitted by CRLA to the Santa Maria Times have been concerned with lawsuits filed by CRLA on behalf of their clients and I know of no other press releases submitted by CRLA that have dealt with any other subject. I personally feel that the concept of CRLA is a valid one, and that citizens of a community should be allowed to have legal assistance if they cannot afford to hire a private attorney. From personal experience, I feel that CRLA, in the Santa Maria area, is idealistically motivated and that they pursue this idealism with enthusiastic endeavor, however, I also feel that such enthusiasm should be tempered by more mature thinking. CRLA appears to be attempting to correct injustices and in some of the suits filed by CRLA they have not been cognizant of all the facts in the case. This is borne out by the fact that CRLA has not been successful in these lawsuits." (Exhibit 07-0200--Emphasis added.)

In a sworn Specification of Charges to the State Bar of California by W. F. Moreno, Attorney, Salinas, California, dated February 6, 1968, Mr. Moreno lists the following specifications in regard to the Martin Produce case:

"a) It was orally stipulated that the settlement agreement in this case would not be made public or released for publication to any news media for the following reasons:

1) It was believed to be in the best interests of all concerned;

2) There had been too much publicity already;

3) The newspaper reports had not always been accurate;

4) There was still a lawsuit pending.

Without consent of defense counsel (Moreno), the settlement agreement was made public and Moreno swears:

"a) By Robert Gnaizda, the attorney for the California Rural Legal Assistance, filing the settlement agreement with the Court and calling it to the attention of Eric Brazil, the California news reporter;

"b) I am informed and believe and based upon that information and belief, allege that the chief administrative officer of the California Rural Legal Assistance at Los Angeles, whose name I believe is Mr. Lorenz, furnished a copy of the settlement agreement to Mr. Harvey Bernstein, the labor editor for the Los Angeles Times. At the same time, Mr. Lorenz had an informal news conference with Mr. Bernstein. A copy of the article which resulted is attached hereto.

"c) On February 1, 1968, Mr. Robert Gnaizda at twelve noon at the Italian Villa has admitted to me that he discussed the settlement agreement with Mr. Bernstein and that he had made the quotes attributed to him.

"d) Mr. Gnaizda, at the same time, also admitted to me that he had tried to contact me before releasing the settlement agreement to get my consent, but he could not reach me because of my recent illness. He did not allege that he had ever attempted to discuss the matter with my partner, Donald M. Branner, who has handled my files, including other files involving the California Rural Legal Assistance office in my absence.

"e) As a result of the settlement agreement, I believe that I had reestablished a normal, healthy employer-employee relationship. My client actually made special arrangements to see that the plaintiffs were paid before Christmas in spite of the fact that Mr. Martin, the President of MARTIN PRODUCE, INC., left the continental United States for a vacation the day following the signing of this settlement agreement. Since my client has seen the newspaper reports, he is extremely upset with the breach of confidence of the California Rural Legal Assistance and my efforts toward good relationship with the California Rural Legal Assistance and the workers and the subject employer has been made, to say the least, most difficult.

"SECOND SPECIFICATION:

"I believe that a careful review of all of the newspaper leads leads to the conclusion that the California Rural Legal Assistance has willfully distorted facts in the following fashion:

"a) The California Rural Legal Assistance has always attempted to create the impression that the nine plaintiffs were 'poor agricultural field workers' who earn less than $2,600.00 annually. The truth is that these plaintiffs are skilled equipment operators who last year earned $2.00 per hour. Those who have been employed by MARTIN PRODUCE, INC. over a period of years, have earned as high as $6,319.26 for one employee for one year. It is true that some of the plaintiffs have been recently employed by MARTIN PRODUCE, INC., and therefore earned nominal amounts as of the time that their services were no longer required. A copy of the earnings records from the year 1969 for the plaintiffs is attached hereto.

"b) The California Rural Legal Assistance has created the impression (see the news article) that there was a trial with a judgment which sets a precedent.

"c) The California Rural Legal Assistance has also created the impression through its oral news release to Mr. Bernstein that Judge Campbell has issued a judgment to the effect that 'any employer who fires a worker for union activity must not only rehire him, but may also be forced to pay punitive damages', and the present case represents case law to this effect.

"d) The California Rural Legal Assistance did not disclose that they had dismissed the plaintiffs' case with prejudice, or that the court had found that there was no triable issues between the Growers Farm Labor Association, the Growers-Shipper Vegetable Association, E. James Houseberg or Doe I through Doe XX, and that the court had summarily dismissed the suit.

"THIRD SPECIFICATION:

"I sincerely believe that the recent publicity on this case is related to the recent issue as to whether or not the California Rural Legal Assistance should be funded and that a logical conclusion is that the news releases were intended to further the interests of the Californit Rural Legal Assistance even to the detriment of its clients and contrary to the express agreement of the parties not to make the Settlement Agreement public.

"FOURTH SPECIFICATION:

"During the period when the lawsuit was pending, certain tomato growers applied to the United States Government for the use of Braceros. The California Rural Legal Assistance filed suit in the U.S. District Court allegedly on behalf of the nine plaintiffs to prevent the importation of braceros. ...None of the defendants of the state court lawsuit, that is, MARTIN PRODUCE, INC., etc., were named or served.

"a) The California Rural Legal Assistance has no basis to be in the Federal Court in this particular case.

"1) MARTIN PRODUCE, INC. has not applied for the use of braceros and had not even used braceros for a number of years. A reading of the Federal complaint discloses that the California Rural Legal Assitance was attempting to recreate the impression that MARTIN PRODUCE, INC., was involved in the imporation of braceros and that the federal law refusing to send braceros to a place in which there was a labor dispute applied.

"2) MARTIN PRODUCE, INC. has not even been involved in the harvesting or growing of tomatoes for many, many years. MARTIN PRODUCE, INC. concerns itself solely with carrots.

"b) The agreement between the Secretary of Labor and the California Rural Legal Assistance specifically refused the right to MARTIN PRODUCE, INC., to receive braceros in paragraph 7, thereby substantiating the claim that California Rural Legal Assistance attempted to create the impression that MARTIN PRODUCE, INC. was involved in the importation of braceros, thereby giving the California Rural Legal Assistance jurisdiction. Additionally, the California Rural Legal Assistance in its agreement and complaint attempted to create the impression that MARTIN PRODUCE, INC. was paying less than $1.60 per hour, the minimum hourly wage. In point of fact, the California Rural Legal Assistance fully well knew that the lowest wage paid by MARTIN PRODUCE, INC. was $2.00 per hour, well above the minimum.

"c) Without informing any of the interested growers associations or farmers throughout the State, the California Rural Legal Assistance proceeded to enter an agreement with the United States Labor Department which set out the rules for which the importation of braceros could be effectuated. It is interesting to note that under Paragraph 1 of the agreement, an independent panel, consisting

of seven members, is established and that the California Rural Legal Assistance will appoint three of the seven members. The wilful entrance of a settlement agreement affecting parties not present is a flagrant violation of the ethical standards of the legal profession and cannot be tolerated.

"d) While the suit in the U.S. Federal Court was pending, Mr. Robert Gnaizda, the CRLA lawyer in charge of the Salinas office, held a press conference which was televised and in which he discussed the issues which were to be decided by the Federal Court. This conduct violates the canons of legal ethics. ..."

Mr. Moreno goes on to make other charges against CRLA which are not material to this particular section of the report. Mr. Moreno filed these charges with the State Bar of California, and they took the incredible position that they could not act on his Specification of Charges because:

"Your original documented letter did not specify which provision or which rule you charge the attorney with having violated, nor did it set forth facts from which a provision or rule violation could be ascertained."

At this point, Mr. Moreno became so disgusted with the entire proceedings, that he elected to not take any further action. (Exhibit 16-0073-99 through 111.)

In an affidavit from Mr. Russell H. Green, President of Simi Winery, Mr. Green makes the following reference to unethical publicity:

> "Before we had any knowledge that a suit was being filed against us, there was a big press release in the Santa Rosa Press Democrat that we were being sued for firing domestic workers and replacing them with wetbacks. Besides the bad publicity we received, it has cost us $3700 to defend ourselves in this action brought by California Rural Legal Assistance."

One worker had been terminated because of absences and intoxication on the job. (Exhibit 02-0121--Emphasis added.)

On October 26, 1970, the State Bar of California sent a letter to CRLA stating that they were approving the refunding for 1971. In their letter, the Bar stated that Governor Reagan would be advised of their action. On the basis of the State Bar's letter, CRLA, on October 27, 1970, issued a press release in which they stated that the State Bar had taken an "unprecedented action" in their approval of the CRLA refunding proposal. The final perversion of the State Bar's rather innocuous approval of funds for CRLA came when CRLA's news release came out in the papers under the headline: "State Bar Urges Reagan Okay of CRLA Budget." (Exhibit 14-0090.)

Another example of publicity-hounding by CRLA comes to us from Judge Robert R. Stewart of the Guadalupe Judicial District:

"...A particularly personal example of CRLA becoming involved in a criminal matter concerns a case of T. Cardoza. Mr. Cardoza was found guilty, in 1968, of a traffic violation and was fined $115. In September 1970, I received a telephone call from Mr. Burton Fretz, chief attorney for CRLA. Mr. Fretz inquired as to whether or not Mr. Cardoza had been charged with drunk driving at the time of his arrest. I informed Mr. Fretz that Mr. Cardoza had been charged with drunk driving, however, this charge had subsequently been reduced to reckless driving. This was the substance of the telephone conversation between Mr. Fretz and myself. In October 1970, I learned through a story released in the Santa Barbara press that CRLA was attempting to have the decision against Mr. Cardoza reversed because Mr. Cardoza had not been informed of his constitutional rights. The fact of the matter is that the contention of CRLA is not correct. At the time of his hearing, Mr. Cardoza had been made aware, through an interpreter in this court, what he was charged with and what his constitutional rights were. I had not released this information concerning Mr. Cardoza to any newspaper and, therefore, I feel the only way such information could have been released would have been through the office of CRLA. After I filed an answer to the writ of habeas corpus, CRLA sought to have the case removed from the court calendar, however, this was blocked by the District Attorney of Santa Maria and a hearing was set for December 2, 1970, but the matter is still pending. I feel that CRLA attempted to remove this matter from the court calendar after the news had been released through the paper so that I would be unable to clear myself in this matter. I fully intend to pursue this matter because I feel that the facts in the case will prove that there was no wrongdoing on my part." (Exhibit 02-0026--Emphasis added.)

These are but a few of the incidents of CRLA's use of newspapers and publicity to create a public image favorable to themselves and unfavorable to their adver-