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# VALLEY LAWYER

A Publication of the San Fernando Valley Bar Association

## VALLEY LAWYER

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21250 Califa Street, Suite 113  
Woodland Hills, CA 91367  
Phone (818) 227-0490  
Fax (818) 227-0499  
www.sfvba.org

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A close-up portrait of a woman with long brown hair and blue eyes, smiling. She is wearing a grey blazer over a teal shirt. The background is a soft, out-of-focus brown.

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## Introducing the Horace Mann Project



**SEYMOUR I. AMSTER**  
SFVBA President

**I**N THE PAST COUPLE OF MONTHS, THE SFVBA board and staff of our beloved organization have worked hard toward the development of the Horace Mann Project.<sup>1</sup> I am pleased to announce the formal creation of this project and would like to take this time to explain our new initiative.

The Horace Mann Project is the omnibus program embodying our involvement with public schools and all students in the San Fernando Valley. Components of the project have been in existence, with many of the programs put into effect by our illustrious past presidents.

The Law Post Program is part of the Horace Mann Project. Currently, there are three law posts: the General Law Post, comprised of students home schooled and from various high schools, overseen by trustees Gerald Fogelman and Caryn Sanders; a law post at Canoga Park High School under the supervision of Adam Grant of Alpert, Barr & Grant; and the Northridge Academy High School Law Post, directed by myself and Randi Geffner of Wasserman, Comden, Casselman & Esensten. Each law post meets twice a month; Canoga Park High School and Northridge Academy High School meet on the schools' campus and the General Law Post meets at the Law Offices of Tharpe and Howell.

The students of the law posts are involved in events and field trips. Recently, students from the Northridge Academy High School Law Post and the General Law Post attended "The Trial of Hamlet" with Supreme Court Justice Anthony Kennedy at USC. One of our law post students, Darcy Padilla Friedenthal, was a juror in the play.

In addition, the law post programs are involved in the State Bar's "When You Turn 18" program. The General Law Post is modifying the program so that high school students will be more receptive to the information being presented. They have named their adapted program "What if?" It is anticipated that by the time this article is published the program will already have been presented to ninth graders at Northridge Academy High School. It is expected that this program will be expanded so that it can be presented to other high school students in the San Fernando Valley.

There are several other law posts that are close to being created at other high schools. The current philosophy is quality, not quantity. The Bar is committed to being patient and making sure a proper infrastructure is in place so each law post formed at a high school has the best chance of success.

SFVBA is also thankful for the support of the judiciary for this and other programs. Currently, there are plans being made to allow the law post students to meet with the judges and court staff through their "power lunch" program.

Another component of the Horace Mann Project will be the adoption of high schools by law firms, as well as individual practitioners agreeing to devote time and work in conjunction with the law firms at the high schools. The plan includes, but not limited to, the presentation of the "What if?" program, the dialogue for freedom project and other related programs. In

addition to Canoga Park High School adoption by Alpert, Barr & Grant and Wasserman Comden's adoption of Northridge Academy High School, it is anticipated that other high schools will be adopted in the near future.

There are also plans for a law post to be created at California State University, Northridge. CSUN's Political Science Department has a robust pre-law program. The Political Science Department is excited to become part of this program and anticipates having a law post at their college by September. Certainly, law posts at other colleges in the San Fernando Valley will be considered and welcomed.

Through our successful Diversity Committee, middle and elementary schools adopted by the Bar will also be part of the Horace Mann Project. Volunteer work includes, but is not limited to, court tours, the presentation of the dialogue for freedom project and other related programs.

Currently, the SFVBA and Neighborhood Legal Services of LA County are working together to expand NLS's legal clinics. There is a tremendous need in these troubled times to help the unfortunate in our community who have suffered from domestic violence, need help in obtaining benefits with

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social security, and many other ills that have recently escalated. It is envisioned that law post students will intern at these legal clinics and, under the supervision of NLS and SFVBA attorneys, receive real life experience by volunteering at these clinics.

I call on each and every Bar member to become involved with the Horace Mann Project, to become involved with our high schools and help the future of our community, our youth, walk down a path to success. The time has come to remember Horace Mann and be inspired by his accomplishments and help our community, our educational system, our democracy, to achieve all that it can and enlighten a new generation to succeed.

Email me or SFVBA Director of Public Services Rosie Soto at [rosie@sfvba.org](mailto:rosie@sfvba.org) to become involved. We welcome your involvement and your dedication. You will find that the involvement with one of these programs will be not only enjoyable, but also rewarding. 🐾

*Seymour I. Amster can be contacted at [Attyamster@aol.com](mailto:Attyamster@aol.com).*

<sup>1</sup> Please refer to my President's Message in January's *Valley Lawyer* for the reason why this project has been named after Horace Mann.



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# From the Executive Director

## Call for (MFA) Service



**ELIZABETH POST**  
Executive Director

**J**UST LIKE MANY OF OUR MEMBERS' PRACTICES, the new economy has affected the way we manage your Bar Association. We continually evaluate marketing efforts to ensure we are getting the most bang for the buck; we obtain second (and sometimes third) bids for services provided by vendors the Bar has used for many years; and constantly ask ourselves if there a better way to offer programs in a more cost-effective manner. The efforts have paid off in providing members and the community with a viable and healthy, but more efficient, organization.

An unfortunate consequence of the new economy is the upswing in fee disputes between attorneys and clients. Case filings for the SFVBA Mandatory Fee Arbitration (MFA) Program doubled from 28 cases in 2009 to 54 filings in 2010; 2011 filings are on pace to surpass last year's total. There has been a corresponding increase in requests for fee waivers, reductions and payment plans.

Currently 73 attorneys and lay persons serve as arbitrators for the SFVBA MFA Program. With half the cases involving disputes of more than \$10,000 (and therefore requiring a three arbitrator panel), Member Services Coordinator Irma Mejia can find it challenging to assign panels.

The SFVBA has planned a **Fee Arbitrator Training** with the State Bar's Committee on Mandatory Fee Arbitration for Friday, April 8 at the University of West Los Angeles School of Law's Chatsworth campus. The course will provide the basic training required to serve on the MFA programs through the SFVBA and the State Bar of California.

Non-lawyer arbitrators, in addition to attorneys, are encouraged to attend this valuable training session and join the Mandatory Fee Arbitration Program. Speakers will address recent developments in fee arbitration and other important topics such as writing an enforceable award, statute of limitations, effect of conflicts of interest, arbitrator disclosure requirements and controlling the proceeding.

To serve as a lawyer arbitrator, an applicant must have been admitted to practice a minimum of five years and must maintain an office in Los Angeles or Ventura Counties. To serve as a lay arbitrator, an applicant may never have been an active or inactive member of the bar of any state or worked regularly for a public or private law office or practice, court of law or attended law school for any period of time. All arbitrators shall have attended one comprehensive fee arbitration training program in the last five years.

More information on the Fee Arbitrator Training can be found on page 19. To register, contact Irma at (818) 227-0490, ext. 110 or [Irma@sfvba.org](mailto:Irma@sfvba.org). Applications to join the panel can be downloaded from [www.sfvba.org](http://www.sfvba.org). 📎

*Liz Post can be contacted at [epost@sfvba.org](mailto:epost@sfvba.org) or (818) 227-0490, ext. 101.*

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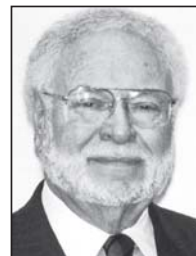
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# What Legal Entity is Best for the Small Business Client?



By Scott W. Williams

**A**TTORNEYS OFTEN FACE THE DILEMMA OF advising their small business clients as to which form of entity is best suited for the client's company. If there is one general rule that never changes, it would be this: knowing the client is just as important as knowing the law.

Over time, a lawyer will be faced with two types of small business clients: 1) startups who expressly ask which entity is best for them; and 2) clients who are already "in business" and are seeking general business advice. Even though the latter may not specifically ask if their current entity is best for their business, attorneys should develop a strong situational awareness and learn to ask the right questions even if the client doesn't.

As used herein, "business" implies an active endeavor to make money, as opposed to a passive investment. For example, the proper entity for holding title to an investment property is outside the scope of this article.

## A Sole Proprietor

By default, when an individual goes into "business," he or she is a sole-proprietor. In community property states (like California) a husband and wife can also be sole proprietors. Sole-proprietorships don't require any formal registration, other than filing a Fictitious Business Name statement in the county where they are located (unless the sole-proprietor's surname is spelled out in full). Taxes are paid on the individual's personal returns, and the legal formalities are virtually non-existent.

The basic problem with sole-proprietorships is unlimited liability. The owner is fully liable for all of the business obligations, including those in tort. For example, when the sole-proprietor sends their employee to run an errand in their car, if the ensuing damages from an accident exceed the employee's minimal auto insurance, the sole-proprietor's personal assets can be used to satisfy the judgment.

As another example, many small businesses inadvertently run afoul of various wage and hour laws. When the Department of Labor Standards Enforcement issues a citation that includes thousands in penalties, business insurance won't cover the damages. Due to these employment related liabilities, attorneys should strongly advise against operating a business as a sole-proprietorship if the business has any employees.

## General Partnership

When two or more individuals engage in an ongoing business enterprise, they are presumed to be acting as partners in a general partnership. Like sole-proprietors, no formal registration of the entity is required, and taxes are paid on the partners' personal returns via a Schedule K-1 issued by the partnership. Unless there is an express agreement to the contrary, all partners are to have equal management responsibilities, and the partners are to share equally in the profits and losses of the partnership.

The problem with general partnerships is the same as with sole-proprietorships: all partners are jointly and severally liable for all obligations of the partnership, even in tort. The

same employee auto accident applies here, and is further compounded by the fact that any one partner can contractually bind the partnership.

It is not uncommon for one partner in a startup to be assigned the task of "shopping around" for a business location, only to return with a signed long-term commercial lease in hand. Unless the landlord explicitly knew that the partner did not have the actual authority to bind the partnership, a general partner will be presumed to have the apparent authority to do so.

For the above reasons, a general partnership comprised of individuals is also a poor entity choice for most small businesses. If any attorney has a client they know is operating as a sole-proprietor or in a general partnership, the lawyer should advise their client(s) of the ramifications of continuing to do so.

## The Corporation

Traditionally, the entity of choice used to protect the assets of individual owners from business liabilities is the corporation. By properly forming and maintaining the corporation, the individual shareholders can avoid personal exposure from business liabilities.

Corporations are formed by filing articles of incorporation with the appropriate state agency (in California at the Secretary of State's office). After formation, the corporation can either accept the default taxation status of a 'C' corporation or file the IRS Form 2553 to elect 'S' corporation status. With a C corporation, all profits should be paid out as salaries to the shareholders to avoid double taxation. If the client's business has some active and some inactive shareholders, a challenge exists as to how the inactive shareholders are to be paid. (If they are not providing any services to the corporation, taxing authorities will frown on phantom salaries and may require them to be reclassified as dividends.)

With an S corporation, profits and losses flow directly to the shareholders similar to a partnership. Unless the lawyer advising the client is also a CPA or tax attorney, the client should be referred to a separate tax advisor to determine if C or S status is best.

The liability protections of a corporation are often lost by the shareholders through their actions...or inactions. Many small business owners are not good with detailed paperwork or calendaring required activities such as annual shareholder and directors meetings (and documenting both with signed minutes). Further, many also forget to issue stock for valuable consideration soon after the corporation is formed. While no one single omission will automatically allow a creditor to "pierce the corporate veil", attorneys should counsel their clients on their ongoing responsibilities of properly maintaining the corporation.

A word to the wise: many attorneys offer to set up corporations for clients, only to farm out all the paperwork to an outside document preparation service (which will then mail the attorney a nice gold-embossed "kit"). The problem is that

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these outside services have no contact with the client, who may have special needs that the kit's generic forms may not address. In the same way that a surgeon standing over a patient should not outsource their scalpel to an outsider, attorneys should be wary of outsourcing business entity formation unless they are prepared to tightly control the process.

### LLCs

To make it easier for small businesses to get around the rigorous formalities of corporations, states have now made available a more simplistic entity: the Limited Liability Company. Like corporations, LLCs are a separate legal entity from the owners (members), and require a formation with the Secretary of States' office. LLCs also have the requirement to pay the annual minimum franchise tax of \$800 per year (waived for the first year). The difference is that LLCs do not require a formal management structure, do not have to hold annual meetings, and generally are more simplistic to operate than a corporation.

As with S corporations, LLCs are "pass through" entities for taxation purposes. By default, a single member LLC is taxed as a sole-proprietorship, while a multi-member LLC is taxed as a partnership. LLCs have one advantage over an S corporation, in that profits (or heaven forbid, losses) can be allocated by agreement among the members without regard to ownership percentage.

LLCs in California have two particular drawbacks, however. First, LLCs with a gross annual income over \$250,000 incur LLC fees, which is in addition to the income tax paid on profits. For a single member LLC offering consulting services, this may not be an issue. If, however, the small business sells personal computers with high gross revenues on thin profit margins, these LLC fees can be cost prohibitive.

Second, some state agencies (most notably, the Contractors State License Board) do not recognize LLCs for licensure purposes. If a plumbing contractor asks an attorney to set up their business as an LLC, and the attorney fails to ask the right questions from the start, the client may end up shelling out thousands of dollars for a useless entity. Unfortunately, for that attorney, the client is not without a remedy.


Certain licensed professionals (most notably attorneys and CPAs) may not form LLCs or traditional corporations for their practice, but must instead form either Professional Corporations or Limited Liability Partnerships. Unlike most other owners of registered entities, these professionals still have at least some personal liability for their errors and omissions pursuant to their licensing agency. There are other less common entities available (such as limited partnerships) that may be appropriate in narrow circumstances but are not generally used in a typical small business.

Attorneys representing small businesses should ask many open ended questions to find out more about their current and intended operations so as to recommend the proper entity. Further, it is best to have the client engage a tax advisor for additional assistance in determining which entity offers the best tax savings. For those attorneys who have clients with small businesses but do not practice business law themselves, referring the client to a lawyer that does is preferable to outsourcing the formation to an outside service. ⚡

**Scott W. Williams** is managing shareholder of *The Small Business Law Firm, P.C.*, which focuses on business entity formations, partnership agreements and general business transactional and litigation representation. Their website is [www.SmallBusinessLaw.org](http://www.SmallBusinessLaw.org).







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# Using Ratios to Find Hidden Income

By Mark Kohn, CPA, CFE, CVA, ABV, CFF

**C**ERTAIN RATIOS CAN BE EFFECTIVE TOOLS in discovering hidden income. This is especially true where the income earner is living an expensive lifestyle but his or her reported income is inconsistently lower than that lifestyle.

## Net Income Ratio

Assume that statistics show that the net income of typical doctors of internal medicine is approximately 50% of their gross receipts. That means that the ratio of their net profit to their gross receipts is 50%. Looking at the subject case, an internist with his or her own medical practice, one sees that on his or her tax returns the doctor reports net income that is 20% of his or her gross.

There are several reasons why that may be happening. One is that the doctor is a terrible businessperson, and his or her overhead is excessive, and so his or her profits are very poor. Another possibility is that there are many personal expenses being paid for by the business and being recorded as business expenses. Therefore, it may be that 30% of the gross is really personal income being disguised as business expenses. This net income ratio is therefore very helpful in directing one's attention to looking at the expenses to see if they are really business expenses.



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## Cost of Sales Ratio

Assume that statistics show that the cost of food sold by higher end restaurants is typically 60% of the sales price. In other words, assume that if a restaurant sells a meal for \$50, not including drinks, the cost of the actual meat, potatoes, salad, etc. cost \$30. The restaurant therefore makes a gross profit on the meal of \$20, from which the owner pays rent, salaries, etc. Looking at the subject case, that of a high-end restaurant owner, one sees that on his or her tax returns, the owner reports sales of \$3,000,000 with cost of sales at \$2,500,000, which means that his or her cost of sales is 83% of his or her gross. It should be only 60%, using assumed statistics.

Again, there are several reasons why that may be happening. One is that, again, the owner is a terrible businessperson, and he does not buy well, and so his or her costs are higher than the industry. Another might be because food costs skyrocketed in the past year but the owner couldn't pass the costs to his or her customers. One then looks at prior years. If the pattern over the past few years is more or less the same 83%, then this explanation is probably excluded, especially if the news does not reflect a long period of skyrocketing food prices.

One then investigates to see if there are many personal expenses being paid for by the business that are being recorded as cost of sales. Sometimes there are fictitious vendors on the books, with the actual payee of the check being the owner.

Sometimes kickbacks are involved, where the owner pays a large amount of money for vegetables to his or her vegetable supplier, and the excess over actual costs is being given back to the restaurant owner in cash by the vegetable supplier. Part of the analysis required in cases like this are to review the paid bills, see if the vendors look legitimate, see the amounts of certain foods being purchased makes sense in light of the restaurant menu, look at the backs of the cancelled checks, etc.

In other words, one verifies that the expenses are real. If the expenses appear to be real, one investigates to see if all sales are being recorded. It may be that the costs really are \$2.5M, and it may be that the costs are really 60% of the gross, and the real gross is therefore \$4,166,667 (60% of \$4.17M is \$2.5M.). The unreported income would therefore be \$1.17M (\$4.17M projected sales less \$3.0M reported sales).

This ratio is often described as the gross profit ratio, because the sales less the cost of sales is the gross profit, and so one could look at either the cost of sales ratio or the gross profit ratio to see that something is irregular. Using the above example, the typical gross profit would be 40% (since the cost is typically 60% in the example) and the subject case is reporting gross profits of 17% (since he reports costs of 83%). The fact that the subject is profiting so much less at the gross profit level compared to the norm is reason enough to pursue further investigation.

## Horizontal Analysis

To do this analysis, one simply prepares a spreadsheet of the last few years of tax returns. Assume the subject case involves a shampoo manufacturer, and that water is 90% of the ingredients of the shampoo being made. Therefore, utility expense would be a major expense for this business, since they would be using a lot of water. One then looks at utility expense horizontally, looking at the expense in year 1 of the spreadsheet, then year 2, then year 3, etc. If utility expense keeps going up and sales are either flat or

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going down, then there are several possibilities that need to be explored.

The first is that maybe utility rates have gone up significantly. One then looks at the paid bills, compare the rates that were charged over the years, and one looks at the amount of water that was used. If the rates were more or less flat and the water usage went up, then theoretically, sales should have gone up. One then looks to see if the sales price per bottle/case has gone down, perhaps due to recessionary pressure. If the sales price per bottle/case has instead gone up, and the water usage has gone up, but reported sales has gone down, then one knows that further investigation is warranted. There is now reason to believe that some sales are not being reported on the books.

For some businesses, this horizontal analysis may not produce a clear path to follow up on, especially if the business is volatile in what it sells and the industry it is in. For other businesses, one would expect a very clear pattern. A laundromat, for example, should show utility expense that is quite consistent with its gross sales (that's the cost of sales ratio discussed above) as well as horizontally. If utility expense goes up, so should sales, since one of the largest expenses of a laundromat is utility expense. If, for example, one sees that the tax returns reflect decreasing sales with increasing utility expense, year to year, one starts the investigation with the utility expense.

### Specific Expense Ratios

Many businesses have their own built in ratios for success. For example, people who are considering buying a restaurant are often advised that if the rent expense on the new lease will be more than 10% of the projected sales, the restaurant will not succeed.

Law firms understand that if secretarial and administrative staffing costs reach a certain percentage of gross billing, the success of the law firm is endangered. Therefore, when looking

at a particular business or professional practice, one should first collect some basic statistics as to the typical ratios of that business, if possible.

If one expects rent to be no more than 10% of the total sales, and instead, one sees that on the subject tax return, it is 20%, then theoretically the business should be suffering. If, instead, the business owner exhibits signs of well-being, such as recent purchases of expensive personal clothing, a new lease of an expensive car, or a recent expensive vacation, then there is a strong possibility that the tax return does not reflect all of the real income that is being generated. One then zeroes in on how income is being received and recorded, to look for unreported income.

As another example, assume the subject case involves a small law firm, with one lawyer owner and two associates, and the associates are each earning more than the reported net profit of the lawyer owner. In this situation, the ratio being analyzed is the ratio of the associate compensation to the owner compensation. Assume further that the law practice does not do any contingency work, and so there is no expected balloon payoff that might accrue to the owner. One then needs to find out why the owner's compensation is so low. It may be that the owner never does any work, and instead plays golf all day, in which case an earning capacity argument can be raised.

Alternatively, it may be that some of his or her clients are paying in cash or barter, such as making payment in the form of expensive artwork. To resolve this, one needs to look at the billing and collections, and place close attention to the adjustments and write-offs. ⚡

*Mark Kohn is a CPA who specializes in forensic accounting and business valuations, primarily in family law cases, in the Los Angeles area. He can be reached at [kohncpa@earthlink.net](mailto:kohncpa@earthlink.net).*



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# Practicing Law in the New Economy

By Angela M. Hutchinson

**T**HE SAN FERNANDO VALLEY BAR ASSOCIATION IS COMMITTED TO ENCOURAGING ITS members to think positive and forward during these tough economic times. *Valley Lawyer* interviews one seasoned attorney and a new attorney to get their perspective on how their law practice is surviving in this economy. So, take a moment to enjoy their views.

## Meet the Attorneys



Valerie Lopez passed the bar in 2007, then worked for a well-known boutique criminal defense firm. This past September, she decided to 'hang her own shingle.' Lopez defends clients in criminal matters throughout California. While she regularly handles a wide variety of criminal cases, she has particular expertise in defending medical marijuana cases. Lopez is a graduate of Georgetown University and Pepperdine School of Law, and serves as an adjunct professor at Pierce College and Los Angeles Mission College.

Ron Tasoff has been a Certified Specialist in Immigration Law (State Bar of California Board of Legal Specialization) since 1985 and has exclusively practiced immigration law for over 35 years. He is a partner in the Law Firm of Tasoff and Tasoff, located in Encino.



## Attorneys Speak Out

### **Valley Lawyer: What inspired you to practice law?**

**Valerie Lopez:** The romantic answer is that I believe in the idealistic possibility that I could directly help another person and that drove me to become an attorney... Admittedly, as a young person I didn't understand what being an attorney meant, all I knew was that attorneys were smart and people depended on them. Later I met some great attorneys (attorneys working in criminal law, family law and personal injury) who were dedicating their lives to helping people. Their advocacy of their clients' interests affirmed that being a lawyer was a wonderful profession to be a part of. Being a criminal defense attorney is my vocation. Many days it's a hard job but sometimes when I know I changed someone's life for the better, I also know it was what I am meant to do.

### **VL: Of all the professions that exist, why did you become an attorney?**

**Ron Tasoff:** Because it was intellectually stimulating and I was passionate about helping the poor and the oppressed fight a flawed legal system dominated by greed and vengeance.

### **VL: Is being an attorney exactly what you expected? Have there been surprises along the way?**

**Vlopez:** Mostly being an attorney is what I expected. I went back to law school in my late twenties and I really took a lot of time and did other things before I decided to go to law school. I think that helped me be grounded about what being a lawyer would mean. I am pretty driven and I knew I could expect 12 hour days, the everyday stress of having your clients rely on you, family sacrifices, etc.

The biggest surprise has been how many attorneys there are out there that don't like what they do. It always shocks me when I see an attorney who doesn't like or respect their clients, their jobs, what type of law they are practicing. For me I believe that loving what I do helps me connect to my clients and helps me advocate for them. I always wonder how much an attorney can help/advocate/counsel someone if they truly don't find love/joy in what they are doing. I was told as a child that attorneys made big bucks, and I'm still waiting for the gravy train (but let's chalk that up to being a new attorney).

### **VL: How has the economy had an effect (if any) on your practice?**

**RT:** Ah... let me count the ways. First, we had to lay off our secretary/paralegal which resulted in us having to do a lot more work. But when our secretary was making more money than we were the time had come to try new things. (I should mention that our secretary was relatively new and had other employment options.) We also got rid of AT&T as our telephone carrier and bought a voice over internet protocol (VOIP) system.

Other "luxuries" big and small were also discarded — preferred parking, our answering service, paid internet advertising, engraved stationery, "Christmas" cards (actually pocket calendars) for clients and referral sources, and maintenance contracts on our copy machine and other office equipment. The savings started to add up and eventually those end of the month "oh no the rent is due" blues went away.

It was not all negative though. I discovered that I could hire a paralegal on a contract basis and get more bang for the buck. And the VOIP telephone system allowed us to get rid of the answering service and I discovered that there were other less expensive ways to keep in contact with our old clients and referral sources such as targeted mass mailings.



**Vlopez:** To be honest I was very reticent about hanging up my shingle 6 months ago. I had a good job with a good (and steady) salary. So when I decided to leave I decided to be very cautious about where money goes. I haven't taken a permanent office, I do a lot of my own administrative work, and mostly I balance the value of every purchase.

I ask myself three questions all the time: Do I need this? Can I do it myself? Is there long term financial benefit? I have to answer yes to all three questions. If I don't need it, I need someone else to do it or there is only a short term benefit then I'm probably not doing or buying it.

Also in this economy lots of people can't pay the retainers they could 3-4 years ago. So I am more flexible about payment plans and offering them, and I'm taking cases farther away because that's where the paying clients are.

I also think the sluggish economy has made me more marketing oriented. I'm taking seminars on web presence, blogging, how to make my website stand out. I rented a booth at a convention to hand out cards and meet people as a marketing tool. I also presented a MCLE seminar to contribute to the legal community while meeting more attorneys and getting more professional contacts. All these things aren't at the core of being a criminal defense attorney, but I believe I have to do more to get myself out there and known to the legal community and my potential clients so I can ultimately get more work.

**VL: Ron, tell us about the time you did a mailing to secure more business?**

**RT:** First, you should know that our number one source of clients are current and former ("old") clients, then other attorneys and probably because we haven't really developed it – the internet. Once we decided not to send out the calendars at Christmas time, about \$4 a shot times a thousand or so recipients, my wife got on my case and told me I had better do something else. Since I never read any of the newsletters other lawyers, accountants and financial planners sent to me I searched for something different and eventually settled on sending out post cards. They were cheap (less than 50 cents a card) and I knew that I all I had to do was to

design one that people would look at, think "immigration law", see it was from me, and throw it away — who knows, maybe the janitor would see it!

The toughest part was developing the mailing list. However, we sent out nearly 5000 the first time around (my list plus two lists we bought). A second card later went out as a New Years greeting to 2000 old clients and other referral sources. I'm working on my third card now. It's a lot easier now that the basics are set up. And sure enough, my wife, as always, was right. The telephone started to ring again with new referrals.

**VL: Valerie, you currently teach at Pierce and Mission Colleges. How did that come about?**

**Vlopez:** About four years ago I applied to be an intern in the Los Angeles Community College District Project Match program. It is a program designed to teach and prepare professionals to teach in the LA community colleges. I was a new mother who needed a mental/intellectual outlet while I was on maternity leave. I did the program and waited to find a teaching assignment.

It took me two semesters before I got an assignment. Now I am teaching 1-3 classes each semester. I love it and I think it helps me stay connected to the Valley community.

**VL: What steps are you taking to plan for the future growth of your practice?**

**RT:** Well, were doing another postcard mailing and we just hired a internet search engine optimization (SEO) firm, who I learned of through a SFVBA luncheon meeting, to redo our web page and make it more search engine friendly. We also hired a very smart high school senior to work part-time doing all those boring things like filing cases, purging mailing lists, confirming appointments and so forth. I'm not sure if I will ever hire a full time paralegal again – the arrangement I have with two separate contract paralegals seems to be working out well – although I had to go through several others before I found them.

**VL: Are there any other skill sets you would advise a new attorney that might open the door for new opportunities?**

**RT:** You're asking the wrong guy.



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Remember, I'm the old "seasoned" lawyer – change does not come easy for me. So I guess the best advice I could give is keep trying, have faith and don't lose your sense of humor — is that a "skill set"?

**Vlopez:** Be business oriented. I went to the business school at Georgetown University as an undergrad and I really learned a lot about business and how to drive a business for the long haul. You never know who might be a source of revenue so you need to look at everyone as an opportunity for a new client, new endeavor, or association.

For instance, I represented a client and I went the extra mile with counseling the parents regarding their son's matter. One of the parents works at a law firm and when I visited the parent at work, I learned the firm needed help with some criminal appearance work. I have helped them for the past four months. The simplest of relationships has turned into a new revenue stream and the opportunity to build a long term relationship with an established law firm in a part of Los Angeles County I have no relationship to.

**VL: What steps are you taking to plan for the future growth of your practice?**

**Vlopez:** I'm still in the phase where I'm concentrating on getting a good client base to ensure the doors stay open, but as I said above, all business decisions are made with a long-term outlook, especially regarding what purchases are made, what services I use, etc.

I am also going through a huge learning phase learning about marketing a legal business, using the internet, small business practices, etc. Consistent with my learning, I am developing a 5-year business plan which begins

with determining what practice areas I have expertise and what I would like to be more involved in. For instance, I am writing for Mary Jane, a marijuana culture magazine for women as their legal contributor (given I specialize in marijuana defense) which is exposing me to the national issues along with the California issues surrounding marijuana use.

**VL: If there was one thing you could change about our justice system what would it be?**

**RT:** How about making it fair? And a little bit more compassion wouldn't hurt either.

**Vlopez:** I can't pick just one thing to change so here are my top three wishes for the criminal justice system. I would wish for more judges and attorneys of color working in the system. Most of the defendants in our community are from a minority group and they distrust the system solely because there are no people "like them" working within the system or because they do not feel they can relate to those with responsibility and power in the system. I think that if defendants don't trust the system they can't respect it or understand its value in our society.

I wish the people working in the system truly loved their jobs. If they did I think a greater level of compassion and understanding would invade the system. It wouldn't be about case numbers and crimes but about the people. There are some great examples of people in the system who care and some really poor examples. Unfortunately, when a defendant or his/her family sees a poor example of a judge/district attorney/defense attorney (public defender or private) they can never respect the system or what it does.

I wish there was more money for the court system. Unfortunately, I have seen some great court staff be laid off and those remaining are doing their best keeping the machine going. I think if everyone had a little more breathing room the system would be less stressful for all the parties from the judges to the traffic defendants.

**VL: When did you join the SFVBA and how have the services helped you?**

**Vlopez:** I joined the bar February 2011. Right now I am investigating the services advertised for insurance, have done the self-study MCLE and getting to know people in the valley legal community via *Valley Lawyer* magazine.

**VL: What is your most memorable moment as it relates to your legal career?**

**RT:** As insignificant as it might sound, since every lawyer has experienced this... it was the moment that I found out that I passed the bar exam. It was pure joy, a total high. All that work paying off – a future full of unlimited possibilities. No worries or obligation... I didn't realize it at the time, but it doesn't get better than that.

**VL: Complete this sentence: One of the best ways for an attorney to survive this economy is...**

**RT:** ...take a few hours off, maybe even a day. Don't think about work or how you're going to pay the bills. Do whatever you like to do to have fun. I used to (and still do when I can) go to Las Hadas Mexican Restaurant on Tuesday mornings and listen to Johnny Vana's Big Band Alumni rehearse... there's more to life than work... don't forget that. 🐼

*Angela M. Hutchinson is the Editor of Valley Lawyer magazine and has served the SFVBA in this capacity for the past three years. She also works as a communications consultant, helping businesses and non-profit organizations develop and execute various media and marketing initiatives. She can be reached at [editor@sfvba.org](mailto:editor@sfvba.org).*



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## MCLE ARTICLE AND SELF-ASSESSMENT TEST

By reading this article and answering the accompanying test questions, you can earn one MCLE credit. To apply for the credit, please follow the instructions on the test answer form on page 23.

# International Business Relations: Lawyers' Guide to Japanese Culture, History and the Law

*Midway through the production of Valley Lawyer, Japan was hit by the earthquake and tsunami that has devastated that nation. The MCLE article on Japanese culture, history and the law was long planned for inclusion as the centerpiece of the April issue. As Valley Lawyer goes to print, we are uncertain about the outcome of the nuclear tragedy or the final casualties. What we are confident about is that the Japanese nation and people have shown through their history, culture and actions that they are resilient, focused and before long will return to their prominence in the world's economy. The author and the San Fernando Valley Bar Association express our heartfelt support and prayers for a speedy recovery for those affected by the earthquake.*

**By Gary O. Haase**

**A**S COMPANIES BASED IN THE UNITED STATES work their way through the 21<sup>st</sup> Century, purely domestic business activity is becoming less and less common. An increasing amount of transactions is touched in varying degrees by persons or entities from other places. And lawyers who find themselves thrust upon this international plane of business have their plates full, despite the supposed "greased wheels" of commerce. However, just as a lawyer attempts to avoid potential legal problems *ex ante*, by providing for issues in a contract before there is any performance, a lawyer departing on a business trip to Japan can minimize the risk of loss due to cross-cultural miscues by gaining background knowledge of the people of Japan.

### Japan and Its People

The following are some superficial observations compiled by an attorney during his first year of living in rural Japan, as a 26-year-old high school English teacher.

### Geography and Population

Although the entire land area of Japan is smaller than the state of California, and 75% of Japan is covered by mountains and volcanoes, Japan's population was close to 130 million while California's was only around 30 million. Unlike the diversity of races in the United States, Japan is almost entirely Japanese (Shelley, Rex. *Culture Shock: A Guide to Customs and Etiquette*. Portland: Graphic Arts, 1993, p.8).

### Around Town, the Suburbs and the Countryside

In general, except for in places like airports or in parts of major cities, everything (meals, rooms, sitting spaces, clothes, cars, buildings) was smaller. Because space is at a premium, cars were often parked in these machines or buildings designed to save space. It was like parking one's car in an elevator, and upon return the attendant pushes a button, the doors open, and one's car reappears.

Vending machines were everywhere, including those that sold beer and hard alcohol (even though the drinking age was twenty). Tipping is not done in Japan (e.g., for a meal in a restaurant, for a taxi ride) as it is in the United States. Western-style toilets — that allow one to sit — could sometimes be

found, but Japanese-style toilets — requiring one to squat — were still very common. Be prepared for the occasional staring, pointing, and hearing the word "gaijin!" (foreigner!) if one has a non-Japanese appearance and travels outside of Tokyo or Osaka.

### Food and Dining

"Seafood" in Japan denotes a broader array of selection and serving styles than the average American may be accustomed to. One will quickly come to appreciate the ubiquitous *oshibori* (a moist hot towel) that one can use to clean one's hands before eating in a restaurant. A typical Japanese breakfast may consist of *miso* (fermented soybeans) soup, rice and *tsukemono* (pickled vegetables). Slurping one's noodles is not only tolerated, it is a proper way to show one's appreciation to the one who prepared the dish.

### Communication and Language

Several Japanese colleagues agreed that nonverbal communication was possible between Japanese people because, as the country is homogenous, "everyone thinks the same". In the United States, one can convey the idea "me?" by pointing to one's chest. In Japan, one points to one's nose.

Japanese students learn four alphabets: 1) *Hiragana* (46 characters); 2) *Katakana* (46 characters); 3) *Kanji* (an adult of average education knows about 2500 of the over 10,000 characters) (*Baedeker's Japan*. Ed. Alec Court. New York: Prentice Hall, 1993, p. 325); and 4) the alphabet learned in the United States (26 characters). In Japan, the gesture of waiving a turned hand in front of one's nose means "no," even though this gesture, in the United States, is usually used when an American is conveying that something smells bad. In the United States, one can convey "come here" by putting one's hand forward, with the palm facing in, the index finger pointing up, and curling the index finger towards the one conveying the message. In Japan, this same message is conveyed by having the palm face down and flapping one's four fingers.

### Schools and Education

Students who excelled in sports or academics often showed extreme modesty in order to remain within the group and to not be considered arrogant. Instead of homecoming, the prom and

pep rallies, Japanese high schools have “sports day” and “cultural day”. Teachers patrolled the shopping malls, *pachinko* (a pinball game) parlors and arcades regularly to find delinquent students. Several Japanese people expressed the notion that students work extremely hard to get into good universities, but that once admitted, university life is like a vacation before entering the hard work of company life.

#### *Values*

A non-Japanese living in Japan may detect that, even though the society denies any specific, strong religious base, the following virtues permeate the Japanese culture, language, media and society: respect for the others in one's group, modesty, silence, obligation and avoidance of conflict. Japanese friends and colleagues would frown at loud, emotional or flailing reactions in others.

#### *Employment and On the Job*

Many companies had their employees do *taiso* (calisthenics) as a group every morning. If one is not successful in keeping one's weekend trip out of town a secret, it was expected that one would return with *omiyage* (souvenirs) for one's colleagues. Although changing, it was still assumed in many places that there would be a female employee to serve the tea of coffee.

#### *Miscellaneous*

In general, many Americans (especially Californians) appear to be more relaxed than many Japanese about sitting on tables, putting feet up on chairs or tables, putting hands in pockets, eating or drinking while walking in public, blowing one's nose in public, wearing appropriate clothing for the occasion and being on time for appointments. A Japanese colleague expressed that Americans are friendlier with strangers — which is a reflection of an individual-centered society, and that Japanese are friendlier with their friends — which reflects a group-centered society.

In Japan, “taking a bath” typically means first, taking a mini-shower and cleaning oneself with soap outside of the bath, and second, then getting into the clean, hot water to soak. In Japan, *manga-bon* (comic books) were devoted to a variety of subject areas and were read by children, teenagers and adults. A Japanese colleague shared that the reason why drinking, smoking, *pachinko* (pinball) and *karaoke* are so popular is because they are methods of relieving the stress associated with conforming each day to the strict social etiquette.

The picture of Japan described above was a mere thumbnail profile of a hugely complex, multi-dimensional society, taken from a street-level point of view.

#### **Introduction to Japanese Law**

Even if the parties have somehow agreed in the contract to apply no Japanese law, or even if the American lawyer is not planning to speak with a *bengoshi* (a lawyer) during this trip to Tokyo, one element of the (cultural) preparation needed for an international transaction taking place in Japan is that the non-Japanese party should be familiar with the basic legal framework in place in Japan.

As The Task Force for Transnational Competence asserts: Successful players benefit from knowing who the key people are in new settings, knowing the local rules that apply to their activities and having an understanding of local negotiating practices. Technical skills in an applied field such as engineering or law are an important component of transnational competence, but these need to be balanced by cultural skills to ensure effective applications (The Task Force for Transnational Competence. *Towards Transnational Competence. Rethinking*

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*Effect of Conflicts of Interest*

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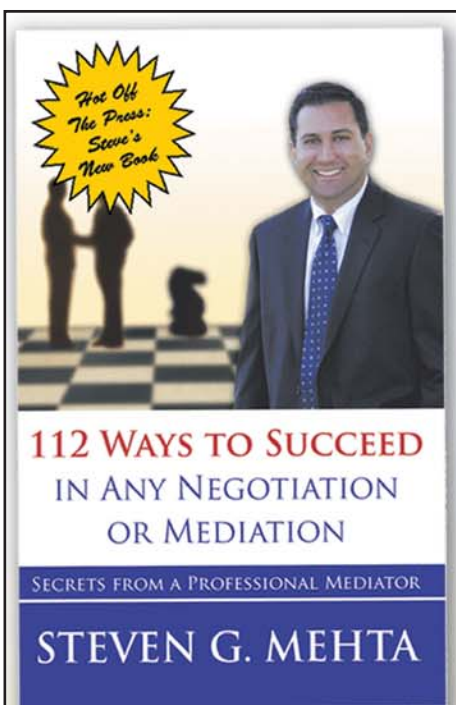
*Controlling the Proceeding*

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*International Education: A U.S.-Japan Case Study*. 28. New York: Institute of International Education, 1997, p. 19).

Becoming familiar with a legal system is not simply reading the rules as printed in the latest edition; one should have some sense of the development of the principles in order to fully appreciate today's application of the rules. In order to have a better grasp on modern-day Japan, it may benefit one to first have a look at the interesting story of its development.

One interested in tracking the development of Japanese law might focus on three blocks of time: 1) the Tokugawa Period; 2) the Meiji Era; and 3) the Post-War period. (A reforming of the justice system, which took the form of official recommendations back in 2001, is beyond the scope of this article.)

#### *The Tokugawa Period (from 1603)*

During this period, Japan chose to isolate itself from the world by closing the islands from intercourse with foreigners. According to John Wigmore, the nation "reached a permanent state of political equilibrium, economic prosperity and social quiet . . . and for nearly three centuries, enjoyed a complete peace, internal and external, unparalleled in any European country" during which "literature and commerce flourished, and prosperity prevailed" (Wigmore, John Henry. *A Panorama of the World's Legal Systems*. N.p.: Washington Law Book Co., 1936, p. 479).

During this block of time, conciliation emerged as a principle that resulted from the Confucian philosophy imported a thousand years before. Under the principle of conciliation — an idea prominent in Chinese justice — every town was divided into companies of five neighbors who were mutually responsible for each other's conduct. Then, when there was a disagreement between members of a company, "the five heads of families met and endeavored to settle the matter" (Wigmore, p. 490). The main point seemed to be that the problems were to be resolved within the group. If the settlement failed, "the neighbors might take matters in their own hands and break off intercourse with him, refusing to recognize him socially; this usually brought him to terms" (p. 491). Few private disagreements went beyond the family or company, and a case which could not be settled in this way "was regarded as a disreputable one or as indicating that the person seeking the courts wished to get some advantage by tricks" (p. 491).

Another feature of Japanese justice during the Tokugawa period was that, from the 1600s onward, "the highly organized judiciary system began to develop by judicial precedent a body of native law and practice" (Wigmore, p. 504). According to Wigmore, it is by reason of this achievement "that the Japanese legal system is entitled to be regarded as an independent one" (p. 504).

#### *The Meiji Era (from 1868)*

Robert Christopher reminds us that in 1853, "when Commodore Matthew Perry and the 'black ships' of the U.S. Navy forced the Japanese to open their country to foreigners, Japan was a kind of fly in amber — the world's last surviving feudal society of any consequence" (Christopher, Robert C. *The Japanese Mind*. New York: Ballantine, 1983, p. 30). In 1868, the house of Tokugawa collapsed, and the power went to the Imperial throne (Shelley, Culture Shock, p. 20).

Japan reached out to France for advice. For example, in 1873 Gustave Boissonade, a law professor in Paris, came to Japan as a legal advisor; he ended up staying for twenty years, drafting the penal code and criminal procedure code that were the first modern codes to be applied in Japan (Noda, Yoshiyuki. *Introduction to Japanese Law*. Trans. Anthony Angelo. N.p.: n.p., 1976, p. 45). From 1881, the influence of French law declined, and German law began to play an increasingly important role in the Japanese legal world (Noda, p. 50).

Ultimately, these foreign contributions were only influences on a Japanese product. "Although Japan succeeded in faithfully and skillfully imitating the French and German legal systems, its own culture could not help but give an original character to the system that was received" (Noda, p. 58).

The modern codes spoke of individual rights and duties — ideas that did not fit well with the society for which the codes were written. It seemed that what the Japanese really wanted was to combine the best of the foreign ideas with the best of their system. The lower ranking samurai did not want to abandon the feudal principles which they considered superior to the European. "They understood that they could not preserve Japan's independence without recourse to the material means that the Western powers controlled, but they believed that it was possible to adopt the material civilization of Europe and



to harmonize it with Oriental morality" (Noda, p. 59).

### *The Post-War Period (from 1945)*

The American influence on the legal development of Japan can be illustrated by comparing the "Meiji Constitution," in place from 1889 to 1946, to the post-war Constitution of Japan, promulgated in 1946. The "sacred and inviolable" Emperor, who could essentially make law under Chapter 1 of the former constitution, became a "symbol" in the present constitution, deriving his power from the people, and needing approval of the Cabinet for all his acts (Japan Const. ch. 1). Chapter 2 of the Constitution of Japan provided for renunciation of war. Chapter 3 provided the people with some American-style rights and duties, including the right to "life, liberty, and the pursuit of happiness."

Alfred Oppler, who played a leading role in the efforts of General MacArthur's General Headquarters to reform the Japanese legal system, describes the frank exchange of opinions between the Japanese officials and the occupation forces as a leading reason that contributed to the success of the legal and judicial reforms carried out: "It may not be an exaggeration to say that the method of full and free discussion has been unique in a military occupation" (Oppler, Alfred C. *Legal Reform in Occupied Japan: A Participant Looks Back*. N.p.: Princeton, 1976, p. 73). Oppler goes on to emphasize that, in spite of the strong influence of American law, especially in the fields of constitutional law, criminal procedure and regulation of economic activities, Japanese law, viewed as a whole, still belongs to the civil law family (p. 74).

Linda Coulter stresses how the culture and history of Japan and the United States are reflected in the respective legal systems. Because of the very nature of being multicultural, the United States has come to rely on law as the mechanism for order and synthesis among its people. This is not so in Japan.

Because it is an island state, Japan has been geographically isolated. This has allowed it to remain homogeneous. Consequently, Japan is imbued with a communitarian sense of self. Individualism is neither accepted nor desired. Rather, societal harmony or "wa" is given top priority, often resulting in the deprivation of individual rights . . . Unlike many many other nations, these early aspects of Japanese culture have survived centuries of industrialization and modernization and still transcend all aspects of Japanese society (Coulter,

Linda. *Japan's Gaiben Law: Economic Protectionism or Cultural Perfectionism?* Houston Journal of International Law. 17 (1995): 431, p. 436).

### **Some Approaches to Effective Communication**

We have learned, among other concepts, the following: to understand the Japanese negotiation style, some knowledge of Japanese cultural tradition is necessary. Order and harmony are highly respected and regarded as prime virtues of the society. Japanese people not only share a common language and

culture, but they also have gradually adopted common social values. Regional and occupational differences do exist, but the country as a whole is intrinsically far more unified than any Western industrialized nation (Folsom, Ralph H., Michael Wallace Gordon, and John A. Spanogle, Jr. *International Business Transactions: A Problem-Oriented Coursebook*. 5th ed. American Casebook Series. St. Paul: West, 2002, pp. 29-30).

The point is to be as prepared as possible, in the hope that one can increase one's chances of success. Preparation is also a sign of respect. As

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a non-Japanese colleague once shared, the message conveyed by a non-Japanese businessperson who arrives on time, in appropriate attire, and who smiles and attempts to refill the drink of the Japanese businessperson at a social gathering can communicate more than a sentence in perfectly-fluent Japanese.

### *Etiquette Tips that Reflect Japanese Courtesy*

Do wait for others to sit down first; serve beer/sake/juice (or whatever the person is drinking) for others in one's group, particularly one's supervisors; use the opposite ends of chopsticks when picking food from a common dish; keep one's hands to one's sides when bowing (men); keep one's hands in front of one's body when bowing (women); be aware that many non-Americans perceive Americans as "loud, obnoxious and overly aggressive" (try not to let one's actions perpetuate this impression).

Don't sit or lean on desks; put one's hands in one's pockets; rub one's wooden chopsticks together (in order to remove splinters) when on *tatami* (straw floor mats).

Shelley asserts that one of the etiquette "don'ts" in Japan is being too open with one's emotions (*Culture Shock*, p. 131). So if in the United States *the squeaky wheel gets the grease*, in Japan *the nail that sticks up gets hammered down*. As Shelley warns, "The rules of social behaviour are part of a culture, and in Japan they are very complex and detailed. When you came to Japan you brought with you your assumptions about how to behave with people, all the rules and regulations of your society. Unfortunately, many think that the rules of good behaviour between people are universal, and that if you are just your natural self, people will accept you, or that if you have good intentions, things will work out nicely. These simple and false beliefs often lead to *faux pas* and unnecessary misunderstandings (*Culture Shock*, p. 136).

For example, according to *Insight Guides Japan*, "the ability to express thoughts clearly, accurately and in a straight-line fashion corresponds very little with the Japanese understanding of courtesy" (*Insight Guides Japan*. Ed. Malcolm B. Davis. Singapore: APA, 1992, p. 56). Or, to put it another way: "The way the Japanese usually speak and express themselves gives a very good picture of their culture. Direct statements of fact are most often avoided as this implies that the speaker has a superior knowledge, and this is considered impolite. Therefore, much "beating around the bush" is done which often leads to misunderstandings and seems like a waste of time to foreigners, but this must be taken into consideration when dealing with the Japanese" (*Insight Guides Japan*, p. 377).

Finally, Peter Berton addresses how language is a reflection of the culture and how it can also become an issue, especially for lawyers: "The ambiguity of the Japanese language is legendary. Lack of precision is, of course, wonderful for poetry, when a thought can trail off into nothingness, but it is not desirable for legal contracts" (Berton, Peter. *Understanding Japanese Negotiating Behavior*. ISOP Intercom. UCLA International Studies and Overseas Programs. 18 (1995): 1-8, p. 4).

Best wishes for a successful trip to Tokyo! *Ganbatte kudasai!* (Good luck!) 🍀

**Gary O. Haase** is a transactional lawyer with five years of California law firm and in-house counsel experience. His current location is Kyoto, Japan, where he is improving his Japanese language skills and cultural competency. He can be reached at [ghaase@uclalumni.net](mailto:ghaase@uclalumni.net).





# MCLE Test No. 33

This self-study activity has been approved for Minimum Continuing Legal Education (MCLE) credit by the San Fernando Valley Bar Association (SFVBA) in the amount of 1 hour. SFVBA certifies that this activity conforms to the standards for approved education activities prescribed by the rules and regulations of the State Bar of California governing minimum continuing legal education.

1. *Bengoshi* means "lawyer" in Japanese.  
True  
False
2. According to The Task Force for Transnational Competence, technical skills in law need to be balanced by cultural skills to ensure effective applications.  
True  
False
3. Japan chose to isolate itself during the Tokugawa period.  
True  
False
4. Under the principle of conciliation, every town was divided into companies of five neighbors who were mutually responsible for each other's conduct.  
True  
False
5. Most parties with private disagreements during the Tokugawa period sought to settle their cases in court.  
True  
False
6. During the Meiji Era, a law professor from France drafted the penal code and criminal procedure code that were the first modern codes to be applied in Japan.  
True  
False
7. Japanese law was influenced by German law during the Meiji Era.  
True  
False
8. According to Yoshiyuki Noda, lower ranking samurai from the Meiji Era believed that it was possible to adopt the material civilization of Europe and to harmonize it with Oriental morality.  
True  
False
9. Under the post-war Constitution of Japan, the Emperor became a "symbol," deriving his power from the people and needing approval of the Cabinet for his acts.  
True  
False
10. The post-war Constitution allows Japan to go to war and to use force to settle international disputes.  
True  
False
11. Japan refused to allow "life, liberty and the pursuit of happiness" to be included in the post-war Constitution of Japan.  
True  
False
12. Japanese law, viewed as a whole, still belongs to the civil law family.  
True  
False
13. According to Linda Coulter, Japan has come to rely on law as the mechanism for order and synthesis among its people because of the very nature of being multicultural.  
True  
False
14. Linda Coulter asserts that societal harmony is given top priority in Japan, often resulting in the deprivation of individual rights.  
True  
False
15. It has been stated that Japanese people not only share a common language and culture, but they also have gradually adopted common social values.  
True  
False
16. During a negotiation in Japan, an American will be more successful if he shows his emotions openly because, in general, *the squeaky wheel gets the grease* in Japan.  
True  
False
17. A typical Japanese non-lawyer will probably consider an American lawyer's ability to express thoughts clearly, accurately, and in a straight-line fashion as being courteous.  
True  
False
18. In Japan, direct statements of fact are most often avoided as this implies that the speaker has superior knowledge.  
True  
False
19. It has been stated that, in Japan, much "beating around the bush" is done which often leads to misunderstandings and seems like a waste of time to foreigners.  
True  
False
20. Peter Burton argues that the ambiguity of the Japanese language is helpful in the drafting of contracts.  
True  
False

## MCLE Answer Sheet No. 33

### INSTRUCTIONS:

1. Accurately complete this form.
2. Study the MCLE article in this issue.
3. Answer the test questions by marking the appropriate boxes below.
4. Mail this form and the \$15 testing fee for SFVBA members (or \$25 for non-SFVBA members) to:

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5. Make a copy of this completed form for your records.
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### ANSWERS:

- Mark your answers by checking the appropriate box.  
Each question only has one answer.

- |     |                               |                                |
|-----|-------------------------------|--------------------------------|
| 1.  | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 2.  | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 3.  | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 4.  | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 5.  | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 6.  | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 7.  | <input type="checkbox"/> True | <input type="checkbox"/> False |
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| 17. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 18. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 19. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 20. | <input type="checkbox"/> True | <input type="checkbox"/> False |

# The Leap of Faith: How to Acquire a Franchisor

By Barry Kurtz



**T**HINKING ABOUT ACQUIRING A franchise operation? Get ready for twice the due diligence of a traditional deal. Indeed, caution is the by-word in considering the acquisition of a franchisor, since any such deal gets the buyer a unique distribution system consisting of scores, perhaps hundreds, of franchisees who will prove key to the success of the deal.

The franchise business is all about brands and franchisees, and the two concerns interact. The brand is promoted to attract quality franchisees, and then the franchisees are supported to promote the brand. And because the franchisees are keys to success, a potential buyer must focus due diligence on the financial and legal health of both franchisor and franchisee because a system that is inherently unprofitable for the franchisee will likely be a bust for the franchisor.

What does it take to do the right kind of due diligence when buying a franchisor? Where can trouble crop up, and how can one leave oneself room to structure the final terms of the deal to fit the reality one uncovers?

The first step is to inspect the uniform franchise disclosure documents (FDDs) used by the franchisor in each state where it has done business over the last five years. Thirteen states – California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin – seek to protect franchisees by requiring franchisors to disclose a great deal of information in the FDD and place it in the public record, usually by registering it with the state attorney general.

Six states – Florida, Michigan, Nebraska, Kentucky, Texas and Utah – require franchisors to file only a one-page form, and the others permit franchisors to operate as long as they meet the requirements of at least one of the 13 “registration” states. In

addition, irrespective of these differing state requirements, federal law requires franchisors to give copies of their offering circulars to all prospective franchisees.

This inspection of the records reveals whether the franchisor has properly registered its offering circular where required and whether it has faced state disciplinary action or litigation by franchisees. The FDD must detail the franchisor’s business experience and that of its senior executives, including any bankruptcies and securities violations. As a result, the inspection will turn up at least a cursory notation of any such difficulties, and lead to inspection of other records, i.e., court filings, regulatory records, etc. that describe any problems or deficiencies in detail.

In each case, it is important to understand the nature of the complaint, the franchisor’s explanation or defense, and the result. Was the violation serious or minor? Was it intentional or the result of clerical error? Was it an isolated incident or part of a pattern of behavior? A buyer needs this information to position themselves, when drawing up the warranties and representations of the purchase agreement, to keep the seller on the hook for any trouble that may not be fully known at closing.

The next step is to inspect the franchise agreements in use in each state in which the franchisor operates, checking their terms against those of the standard agreements in the FDD. The object here is to discover whether the franchisor entered into any special arrangements with one or more of its franchisees. An example might be providing special terms to favored franchisees, such as giving a franchisee in Los Angeles the right of first refusal when new or additional franchises are available in neighboring Orange County.

This is important to the buyer of a franchising company because it takes on all the obligations of the seller, except

those that are expressly left behind in the purchase agreement. A buyer probably cannot escape a side deal such as granting a right of first refusal, assuming it is a valid arrangement, but it can adjust the terms of the deal to reflect the impact of the agreement on post-acquisition plans. If the agreement proves to be too restrictive, such as limiting expansion plans in Orange County, it could impel the buyer to back out of the deal altogether. In any event, the buyer is at minimum informed of the situation.

For the same reasons, it is also important to track down the agreements with franchisees in all states in which the franchisor operates. It may be impractical to check each. These agreements may number in the hundreds, or even in the thousands, making it costly and time-consuming to inspect every one. The solution is to collect a fair sampling and require the franchisor to warrant that there are no undisclosed side deals with franchisees that materially affect the terms of the purchase.

In checking these records, the acquirer’s investigators must take special note of all obligations taken on by the franchisor regarding training, advertising, marketing, and other business functions, all of which represent costs affecting the value of the deal.

For the same reason, the buyer must look for other financial arrangements between the franchisor and its franchisees. A primary target for inspection should be the promissory notes and security agreements that are in place if the franchisor offers financing to help purchase the franchise.

It is equally important to inspect the franchisor’s records of all leases tied to its franchise agreements. In some cases the franchisor itself will lease the property in question and sub-lease it to the franchisee. In others, the franchisee will lease the property directly. Either way, a buyer must match up each lease with its



respective franchise agreement, making sure that the terms agree. The buyer also must be certain that no third-party clearance is needed, such as approval of lease transfers by real estate owners.

A great deal of examination can be done in the offices of the franchisor, where other important but unpleasant items may be found, i.e., notices of late payments or default by franchisees, correspondence regarding disputes between franchisor and franchisee, or records detailing the processes followed in terminating franchise agreements. In essence, the goal here is to find out what went wrong between franchisor and franchisee so that a purchase agreement requires the seller to stand behind appropriate representations and warranties.

In all of this, it is crucial to step carefully, since few deals close without a hiccup or two. There is risk in for both buyer and seller any acquisition involving a franchisor, but don't run away from the idea. The due diligence necessary to any such acquisition is tough, but it's really just a measure of the possible pay-off.

The business lawyer doing due diligence in the purchase of a franchise company must track down a great many documents to gain an accurate picture of the relationships between the franchisor and its franchisees. Then the real work begins, since it is also necessary to inspect the documents in detail and draw up representations and warranties holding the seller of the franchise company responsible for any agreements or information contrary to or inconsistent with the documents inspected or information provided during due diligence.

In deals involving large numbers of franchisees, it becomes impractical to obtain and inspect every document on this checklist, of course. In such cases, the lawyer should sample a number judged reasonable by the client and shape the language of any representations and warranties accordingly. 🐘

**Barry Kurtz** is a Certified Specialist in Franchise & Distribution Law by the State Bar of California Board of Legal Specialization. He maintains his practice in Encino and can be reached at (818) 728-9979 or [bkurtz@barrykurtzpc.com](mailto:bkurtz@barrykurtzpc.com).



## Legal Due Diligence Checklist

- ✓ Each FDD used by the franchisor in all states in which the franchisor has done business for the last four years, including all state-specific addenda
- ✓ Each signed franchise agreement and area development agreement, if applicable, and all ancillary agreements and attachments used in the last four years
- ✓ All signed amendments to franchise agreements and area development agreements used in the last four years
- ✓ Drafts, proposals, unaccepted or otherwise unsigned amendments to franchise agreements and area development agreements used in the last four years
- ✓ All correspondence to or from any state agency regulating franchise offers and sales in any state in which the franchisor has done business for the last four years, including registration orders and exemption filings
- ✓ All orders and correspondence issued by or received from all such state agencies for the last four years and a list of all pending franchise registration and exemption filings
- ✓ All consent orders, assurances of discontinuance, notices of violation, offers of settlement, settlement orders or other orders or rulings in effect or, to the knowledge of the seller, threatened that would prohibit or impede the buyer's ability to offer or sell franchises or enter into franchise agreements
- ✓ All communications to or from the Federal Trade Commission, if any, or any agency of any state in which the franchisor has done business, or has attempted to do business, for the past four years, whether in the nature of an inquiry or otherwise – for example, communications to or from agencies that regulate offers or sales of business opportunities
- ✓ All royalty relief agreements, forbearance agreements, settlement agreements, general releases, cancellation agreements, termination agreements and purchase agreements (for the reacquisition of franchised units) with franchisees and area developers, whether signed, unaccepted or otherwise unsigned since the date the franchisor first became registered to sell franchises
- ✓ List of all persons who acted as franchise salespersons or brokers to offer or sell franchises and all salesman disclosure forms filed with each state's agency that regulates franchise offers and sales for the last four years
- ✓ All policy announcements, memos to franchisees, newsletters, reports, etc., issued to franchisees and area developers since the date the franchisor first became registered to sell franchises
- ✓ All notices of breach, default and termination issued to franchisees and area developers since the date the franchisor first became registered to sell franchises;
- ✓ All claim and demand letters received from franchisees or area developers since the date the franchisor first became registered to sell franchises
- ✓ All print advertising published to advertise the franchises
- ✓ All flyers and brochures used to advertise the availability or offer or sale of franchises
- ✓ All website advertising availability or offer or sale of franchises
- ✓ List of all pending sales of franchises and area development rights
- ✓ List of all pending transfers of franchises and area development rights
- ✓ List of all pending franchisee outlet openings and closures
- ✓ List of all franchises and area developers not current in the payment of their obligations to the franchisor with the details of such defaults
- ✓ List of all area developers not current under their development obligations with the details of such defaults
- ✓ List of all franchisees and area developers whose franchises and area development rights were transferred, canceled, terminated, not renewed, reacquired or who otherwise left the system since the date the franchisor first became registered to sell franchises
- ✓ List of all litigation and arbitration matters between the franchisor and franchisees and area developers filed, settled, adjudicated or otherwise resolved since the date the franchisor first became registered to sell franchises
- ✓ Copy of all acknowledgments of receipt from each franchisee who received a FDD since the date the franchisor first became registered to sell franchises
- ✓ List of memberships in franchise organizations such as International Franchise Association

# PREPARING A CLIENT FOR MEDIATION

By Sean E. Judge



**A** SIGNIFICANT PERCENTAGE of clients will have only one, or a few, experiences with the civil justice system in their lifetimes. In virtually all litigated matters, either a court-ordered or privately agreed-upon mediation session will be part of that experience.

But before the trip to the mediator's office, counsel and their clients should consider mediation as more than an opportunity to end the litigation and put the case behind them. This article suggests additional preparation tools and strategies for counsel to consider when dealing with the mediator, and when preparing clients for mediation.

## Interaction with the Mediator

**Briefs.** After initial scheduling, briefs are usually counsel's first opportunity to interact with the mediator. They are quite obviously an essential tool in preparing for any mediation, even in a small damages case. As in trial, a mastery of the facts and law is essential to obtaining superior results. An effectively prepared brief, even if relatively concise, forces counsel and the parties to think about case, its strengths and weaknesses and issues that will arise in mediation.

*Pre-Mediation Discussions and Information.* These discussions are typically confidential between counsel and the mediator. In addition to discussing the essential preliminary points, i.e.,

whether a joint session would be useful, and assuring that all persons with full authority to resolve the case are present to do so, etc., it is also an opportunity for both the mediator and counsel to discuss the main issues or points of controversy raised in the briefs.

However, these discussions are not simply an opportunity for the mediator to dig deeper into the issues raised in the briefs. Counsel should use this as an opportunity to learn about the mediator's preliminary thoughts regarding the important issues, especially if counsel and the mediator are not familiar with each other. Pre-mediation conversations can also convey elements of the mediator's style or demeanor.

Mediators certainly pay close attention to the style and demeanor of counsel and participants, so counsel should avail themselves of the opportunity to do the same with the mediator. It is also important to search the mediator's (or provider's) websites and web pages, since it is becoming increasingly common for these sites to contain blogs, Facebook links and short video clips in which the mediator talks about their experiences and approaches to the process. This is an often under-utilized tool that may provide valuable insight to resourceful counsel.

## Interaction with the Client

If the client or representative is experienced and familiar with mediation,

very little pre-mediation communication may be necessary. However, whether dealing with a mediation veteran or novice as a client, counsel should communicate all appropriate information about the mediator and his or her preliminary thoughts about the issues in the case.

In addition, counsel should unquestionably cover in detail the pros and cons of settlement versus proceeding to trial. A few of these items are:

- The claims and defenses, and their strengths and weaknesses
- The evidence that will be required to prove or defend the case
- The uncertainty of jury trials, court trials, the increasing restrictions on voir dire/juror interviews
- The cost of proceeding to trial
- The difference in net recovery (or in the case of a defendant, gross expenditures) between mediation and trial
- The mediator's role in the mediation
- The role of the adversarial process in mediation
- An acceptable range for settlement

In the cases of one-time or occasional litigants, both plaintiff and defendant, it is important to review with them what they must prove, what their burden of proof is, and what the defense must show or prove. Having to explain a burden of proof, legal standard or duty or an affirmative defense for the first time in the middle of mediation is simply more information for a party to digest in the middle of a stressful proceeding. Presenting this information during the session can be overwhelming to a point of producing resistance.

Counsel can sometimes provide outstanding briefs and mediation presentations laying out the law and the evidence. But the client should also know this information as well, and it is incumbent upon counsel to discuss it

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with them in an understandable manner before the mediation.

Costs and uncertainty of trial and the unpredictability of juries are customary and standard issues to review. Counsel would be remiss not to explain this to his or her client.

A plaintiff hearing for the first time that a settlement of \$35,000 may net him or her the same as a \$50-60,000 verdict at trial will take time to digest, and given the often fluid nature of mediations, could result in information overload. It is thus best to review this concept in detail beforehand.

Without getting into other issues such as insurers' increasing resistance to the "cost of defense" argument on questionable liability or damages cases (which is another article in itself, and something a plaintiff or petitioner must absolutely consider in deciding whether to mediate and how to evaluate the case), for a defendant business owner in a commercial case, the issue of continuing costs and fees (and time!) are of paramount importance.

The costs should be reviewed beforehand, as should such issues as attorney fee and cost clauses in the operative contract, and if applicable, the effect of any offers to compromise under CCP 998 (again, the subjects for entire separate articles, but mentioned here).

The client must know that the mediator's role is non-partisan. An experienced mediator once said, "The mediator's client is 'the settlement'." From the mediator's perspective, mediation is the gradual process of closing the case, from the initial phone call or contact mentioned above to the signatures on a settlement agreement.

Regarding the role of the adversarial process in mediation, it should be noted that the overwhelming percentage of parties and counsel come to mediation "loaded for bear," looking to present the best possible case. However, especially in the exchange of opening demands and offers, both parties and counsel can interpret unreasonable numbers as variations on Vinnie Gambini's opening statement in *My Cousin Vinnie*, and threaten to walk out and terminate the mediation.

While it is highly incumbent upon the mediator to control this process and discourage the exchange of "insult" or "pie in the sky" numbers, counsel should prepare his or her client that unrealistic initial numbers, or the slow progress into later rounds, is a possibility and often part of the process. Even while offers and demands are exchanged, it takes time to get past positional bargaining, or chest puffing. The can be referred to as "message

numbers" and depending on how the mediation progresses through this phase, the reasonable range of the true value of the case comes more into focus later in the mediation.

While it is necessary to have a clear view of case valuation, any valuation should be presented to and discussed with the client as a settlement range. As with a trial, "things happen" in mediation and flexibility is always necessary.

Addressing some or all of these points before the mediation will lead to a much more prepared and thoughtful case presentation. Better informed parties will also have a good understanding of the process and what to expect. In turn, the mediation should proceed much more smoothly and efficiently, and that can only increase the chance for settlement. ⚡

**Sean E. Judge** is a mediator with offices in Woodland Hills. In his 21 years as a litigator, he represented corporate and institutional clients and individual litigants, both as plaintiffs and defendants. He can be reached at (818) 610-8799 or [sean@judgemediation.com](mailto:sean@judgemediation.com).



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Direct: 818.501.1733  
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# San Fernando Valley Bar Association GOLF TOURNAMENT

Proceeds benefit the public service and charitable programs of the SFVBA

**Monday, May 16, 2011**

**"New" Braemar Country Club • Tarzana**

10:00 A.M. CHECK-IN    ⌄ 10:30 A.M. PUTTING CONTEST    ⌄ 11:30 A.M. SHOTGUN START  
5:30 P.M. AWARDS RECEPTION AND DINNER

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## A Worthy Charity



**HON. MICHAEL  
R. HOFF, RET.**  
VCLF  
President

**P**EOPLE MAKE WORD connections all the time: beach and tan, or beach and sunburn, depending on the point of view. People associate attorneys with lawsuits, taxes and troubles, or people can associate a group of attorneys, CPAs and community members with charity and helping people.

Tax time is here. Remember, attorneys and CPAs can help you pay the least legal amount of taxes. Also, remember that a great tax deduction is to donate to the Valley Community Legal Foundation (VCLF), a 501(c)(3) qualified charity and has been since its inception thirty-two years ago.

Many people think of attorneys as greedy and sneaky, that is until they need attorneys to help them with their problems. One of the purposes of the VCLF is to change the public's view of attorneys. The VCLF is a charity created by attorneys and other pro-active Valley citizens. The more people that realize that attorneys can be charitable will result in a more positive image for attorneys and the entire legal profession.

The VCLF is the charitable arm of the SFVBA and it seeks and needs members help. The economy is in the doldrums and charitable contributions everywhere are down. But just because contributions are down does not indicate that the need for funds has lessened. The deep recession has placed more people and more charitable projects in great peril. SFVBA members can help by making a tax deductible (the ever cautious attorney's disclaimer tells you to verify this information with your tax advisor) contribution to the VCLF.

This year, the VCLF is continuing to help the many needy causes already being assisted by the VCLF and is taking on a new challenge in assisting CASA.

In the past, the VCLF has assisted in the creation of Child Waiting Rooms at the Van Nuys and San Fernando courthouses, as well as helped battered and abused women and homeless children. The VCLF has also granted scholarships to worthy students that have a career in law in their future.

This year, the VCLF has decided to assist needy children in a different fashion. Past recipients of grants and financial assistance will not be abandoned, but the VCLF is expanding its reach. The VCLF needs your help in its efforts.

The Court Appointed Special Advocate (CASA) project approached the VCLF and asked for help. CASA members are volunteers appointed by juvenile court judges to assist and advocate for children caught up in the legal system, usually in Juvenile Court. Some of these children have come under the court's protection due to abuse or neglect. A CASA volunteer helps these children cope with the unpleasant reality of broken families, family violence, abandonment, drug and other abuse by their parents.

Many attorneys and most lay people never have the occasion to actually see the grim reality of abused children. Try and think of the worst thing that could happen to a child and then multiply that danger and misery by a factor of at least 1,000 and that would equal the plight of some of the children helped by CASA. It only seems proper that SFVBA members and the VCLF come to the aid of these children.

Please remember that every member is a part of the SFVBA and as such all are connected to the VCLF. In the past, the VCLF was not recognized by many members of the SFVBA as a charity, but it is — a worthy charity, and the VCLF needs SFVBA members' support! 🐘

*Hon. Michael R. Hoff, Ret. can be contacted at [mrhoff2@verizon.net](mailto:mrhoff2@verizon.net).*

## SAVE THE DATE!

### Valley Community Legal Foundation's Annual Law Day Gala

**Saturday, June 11, 2011**

**CBS Studio Center, Studio City**

#### 2011 Honorees

**Justice Armand Arabian, Retired**

*Lifetime Achievement Award*

**Sheriff Leroy D. Baca**

*Hero in Law Enforcement Award*

**Law and Media Award**

*Lionsgate Entertainment Company*

**Juvenile Court Supervising Judge Michael Nash**

*The Pearl Vogel President's Award*

# Annual Judges' Night Dinner

Thursday, February 24, 2011



LASC Presiding Judge Lee Edmon



SFVBA President Seymour Amster, Judge Michelle Rosenblatt, Administration of Justice Honoree Mary Thornton House and Trustee Gerald Fogelman



Stanley Mosk  
Legacy of Justice  
honoree Judge  
Morton Rochman



Judge Maureen Tighe, attorney Alan Sarver and Judge Geraldine Mund



City Atty Carmen Trutanich, Seymour Asmtter and Justice Armand Arabian, Ret.



Judges' Night 2011



Seymour Amster, Judge of the Year Susan Speer, Presiding Judge Lee Edmon and Gerald Fogelman

## New Members

We welcome the following new members who joined the SFVBA in February 2011:

**Andrea Ament**  
Los Angeles  
(818) 955-8060  
ament@swlaw.edu  
Law Student

**Shideh N. Balali**  
West Hills  
(818) 723-9937  
snazbalali@yahoo.com  
Law Student

**James Blancarte**  
Burbank  
(818) 802-1904  
jblancarte@swlaw.edu  
Law Student

**Christopher A. Borzin**  
Sherman Oaks  
(310) 985-5020  
cborzin@gmail.com  
Law Student

**Kyle A. Broussard**  
Los Angeles  
kabroussard17@gmail.com  
Law Student

**Stephen K. Chen**  
Law Offices of Marcia L. Kraft  
Woodland Hills  
(818) 883-1330  
schen23@gmail.com  
Family Law

**Susana I. Cuya**  
Los Angeles  
(323) 347-7280  
susanaucuya@gmail.com  
Law Student

**Dominique J. Daniel**  
Lake Elsinore  
(310) 500-8605  
dominiqued44@aol.com  
Law Student

**Ara Davoudian**  
Glendale  
(818) 455-1262  
aradavoudian@gmail.com  
Law Student

**Greg Diarian**  
Woodland Hills  
(818) 681-3129  
diarian11@yahoo.com  
Law Student

**Silva Donikian**  
Pasadena  
(626) 625-5150  
silvadonikian@aol.com  
Law Student

**Michael K. Dowlatsahi**  
West Hills  
(818) 314-1578  
mykd33@gmail.com  
Law Student

**Linda Fine**  
Bridge, LLP  
Van Nuys  
(818) 988-2233  
lfine@bridgellp.com  
Associate Member, Certified Public Accountant

**Leslie A. Fischman**  
Los Angeles  
(310) 613-2723  
law Student

**Jerome B. Fogel**  
Calabasas  
(818) 222-2370  
jerome.fogel@gmail.com  
Law Student

**David F. Friedman**  
Keller Williams  
Porter Ranch  
(818) 970-7701  
dave@818myhouse.com  
Associate Member, Real Property

**Ted Fuon**  
Los Angeles  
(323) 474-9445  
tfusa@hotmail.com  
Law Student

**Petros Gezoukian**  
Gezoukian Law  
Glendale  
(818) 476-0085  
peterg@gezoukianlaw.com  
Civil Litigation

**David Ghalchi**  
Beverly Hills  
(310) 491-6746  
galachid@gmail.com  
Law Student

**Karanvir S. Gill**  
Los Angeles  
(909) 576-8927  
gill.karanvir@gmail.com  
Law Student

**Lucia Gutierrez**  
Anaheim  
(510) 552-3160  
lgtz13@gmail.com  
Law Student

**Uriel Herrera**  
City National Bank  
Studio City  
(818) 487-7517  
uriel.herrera@cnb.com  
Associate Member, Banking and Finance

**Aileen E. Jimenez**  
West Hills  
(818) 709-4048  
aileenjimenez@gmail.com  
Law Student

**Arash Kalthore**  
Winnetka  
(818) 250-4612  
arash727@gmail.com  
Law Student

**Jenna Katberg**  
Van Nuys  
(818) 209-8034  
jennakat511@hotmail.com  
Law Student

**Elliott N. Kramsky**  
Woodland Hills  
(818) 992-5221  
mail@eo-ent.com  
Patent and Trademark Law

**Kathleen M. Kukulka-Stone**  
Torrance  
(310) 375-8909  
kathyston@aol.com  
Law Student

**Edward D. Kyle**  
Los Angeles  
(818) 674-1127  
Law Student

**Crystal E. Lara**  
Tarzana  
(818) 399-6285  
crystalalara@gmail.com  
Law Student

**Christian M. Lemos**  
Los Angeles  
(818) 708-2474  
clemos@swlaw.edu  
Law Student

**Carlos A. Leon-Bocanegra Jr.**  
Woodland Hills  
(818) 671-9518  
carlosleonjr@me.com  
Law Student

**David F. Lindner**  
Santa Monica  
(310) 826-5548  
d.f.lindner@gmail.com  
Law Student

**Lauren M. Littrell**  
Porter Ranch  
(818) 366-6896  
lmittrell@gmail.com  
Law Student

**Nathan P. Loakes**  
Granada Hills  
(818) 268-8494  
nloakes@swlaw.edu  
Law Student

**Valerie Sue Lopez**  
Northridge  
(818) 825-2749  
valerielopez@gmail.com  
Criminal

**Smbat Mamyian**  
North Hills  
(818) 825-2749  
sammamyian@gmail.com  
Law Student

**Lauretta A. Martin**  
TMG Properties  
Northridge  
(818) 709-2525  
tmgrealestate@social.rr.com  
Associate Member, Real Property

**Sherwin Nadjim**  
Sherman Oaks  
(310) 869-0040  
shervyn.nadjim@gmail.com  
Law Student

**John Nam**  
Glendale  
johnnymnam@gmail.com  
Civil Litigation

**Mark D. Nielsen**  
Santa Monica  
(310) 451-0647  
mnielsen@csd.com  
Patent

**Patrick Omo**  
Long Beach  
(562) 505-7428  
omopatrick@charter.net  
Law Student

**Alex J. Port**  
El Segundo  
(310) 322-2432  
aport13@hotmail.com  
Law Student

**Luis D. Ramos**  
Los Angeles  
(310) 428-7958  
lramos@gmail.com  
Law Student

**John D. Rogers**  
Newport Beach  
(949) 212-8046  
rogers.d.john@gmail.com  
Law Student

**Narges Rona**  
Torrance  
(310) 406-5005  
nrona84@gmail.com  
Law Student

**Myron C. Ronay**  
Agoura Hills  
(310) 924-1986  
myronronay@att.net  
Law Student

**Lior Sadgan**  
Encino  
(818) 430-4720  
lorsadgan@yahoo.com  
Law Student

**Michelle Salazar**  
Calabasas  
(818) 643-8568  
oxasalar@hotmail.com  
Law Student

**Iris E. Salem**  
Los Angeles  
(323) 630-3605  
iris.salem@gmail.com  
Law Student

**Mark E. Saltzman**  
Saltzman & Associates, PLC  
Tarzana  
(818) 343-0600  
BusinessAttorney@yahoo.com  
Business Litigation

**Brian H. Schwartz**  
Ameriprise Financial Services, Inc.  
Woodland Hills  
(818) 592-3321  
brian.h.schwartz@ampf.com  
Associate Member, Financial Management/Services

**Jill T. Shibata**  
El Segundo  
(818) 634-3436  
jshibata@yahoo.com  
Law Student

**Stuart R. Simone**  
West Hills  
(818) 203-8536  
vip@stusimone.com  
Entertainment

**Polina Solok**  
North Hollywood  
(818) 339-0794  
polina.solok@gmail.com  
Law Student

**Gregory R. Sousa**  
Burbank  
(818) 326-3711  
mstng81@yahoo.com  
Law Student

**Jo Ann D. Stipkovich**  
Catsworth  
(818) 718-8440  
joann@stipkovich.com  
Family Law

**Tryna N. Tafoya**  
Rialto  
(909) 227-4472  
tryna.tafoya.20@hotmail.com  
Law Student

**Sharon Vardch**  
Northridge  
(818) 486-8665  
svardch@yahoo.com  
Law Student

**Steven M. Vidor**  
Woodland Hills  
(805) 455-1805  
steven.vidor@yahoo.com  
Law Student

**Michael J. Voigt**  
Lomita  
(310) 357-0313  
Law Student

**Edward E. Wallace**  
Encino  
(310) 968-5169  
edward.wallace@edwardwallacelaw.com  
Civil Litigation

**Michael C. Weaver**  
Rodeo Realty  
Calabasas  
(818) 631-3613  
mike@mikeweaverrealtor.com  
Associate Member, Probate

**Brian A. Weiser**  
West Hills  
(818) 357-7905  
bweiser@swlaw.edu  
Law Student

**Michael J. Worth**  
Los Angeles  
(818) 523-2929  
mworth@swlaw.edu  
Law Student

**Dan Yakobian**  
Reseda  
(818) 284-0449  
Law Student

**Shahrooz Zagli**  
Calabasas  
(818) 515-0018  
szagli@hotmail.com  
Law Student

**Sipora Zagli**  
Tarzana  
(818) 621-6973  
sipora727@hotmail.com  
Law Student





**PAULETTE GHARIBIAN**  
SCVBA President

## Tight Economic Times

**H**ISTORIANS REFER TO THE GREAT DEPRESSION as the worst economic depression to hit the United States. Today, the struggles people are facing during the meltdown of our economic climate may be just as bad, if not worse. All professions are affected. As neighboring bookstores and restaurants shut their doors, and as vacancy rates of the commercial properties in cities declines, it is tough to ignore how the downturn has affected attorneys.

The questions are voluminous and the answers are few. When will the tough times end? Is relief in sight? What do I do to keep my doors open?

When so much is uncertain, taking it back to the basics may be the only ready answer for all. An attorney's checklist of basics should include attending and conquering networking events.

This year, one of the main areas of development on the agenda for the Santa Clarita Valley Bar Association pertains to the marketing of your law practice and networking to grow your business. In past years, the SCVBA has hosted a multitude of networking events, from breakfasts, to lunches, to after hour mixers, offering members and non members alike the opportunity to meet, nurture and continue to grow referral relationships with other attorneys. These events allow

professionals to network with each other on a business level and interact with each other on a social level.

There are a few steps an attorney should master before attending any networking event. At these events, a first instinct will be to hunker down with a few friendly and familiar faces and wait for the end of the evening. The safe route is not the answer. Set a goal before each event to collect and distribute a specific number of business cards. Of course this means attorneys must bring their cards.

The most important step is to follow up. It doesn't matter how well an attorney woos an audience at the event if there is no follow up. A simple email or a letter to the new connection, pointing out one detail of the previous conversation, will leave an unforgettable impression, and once one's target responds, the attorney is on their way to a new found relationship and referral source.

With the above tricks, networking will become not only an essential and rewarding marketing tool for growing a business, but attorney members will soon find that attending these events is actually a lot of fun, turning a chore into the highlight on their calendar. 🦋

For more information, please visit [www.scvbar.org](http://www.scvbar.org).

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**Tuesday, April 5  
5:30 PM**

**Oliva Trattoria Restaurant  
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RSVP to [events@sfvba.org](mailto:events@sfvba.org) or  
(818) 227-0490, ext. 105.



## Intellectual Property, Entertainment & Internet Law Section Patents: To File or Not To File

**APRIL 8  
12:00 NOON  
SFVBA CONFERENCE ROOM  
WOODLAND HILLS**

Attorney Mark Nielsen will discuss when  
to file a patent application and when patent  
infringement comes into play.

<b>MEMBERS</b>	<b>NON-MEMBERS</b>
<b>\$30 prepaid</b>	<b>\$40 prepaid</b>
<b>\$35 at the door</b>	<b>\$50 at the door</b>
<b>1 MCLE HOUR</b>	

## Probate & Estate Planning Section Branch Court Survival Guide

**APRIL 12  
12:00 NOON  
MONTEREY AT ENCINO RESTAURANT  
ENCINO**

Judge James Steele and Judge Mary Thornton  
House will talk about the latest happenings in  
their respective courthouses, Van Nuys and  
Pasadena, and discuss trial avoidance. And if  
avoidance doesn't work, how to make your trial  
preparation and trial as painless as possible!

<b>MEMBERS</b>	<b>NON-MEMBERS</b>
<b>\$35 prepaid</b>	<b>\$45 prepaid</b>
<b>\$45 at the door</b>	<b>\$55 at the door</b>
<b>1 MCLE HOUR</b>	

## Family Law Section Presents SELF DEFENSE TECHNIQUES FOR LAWYERS - THE SEQUEL



The hands-on training will be taught by Grand  
Master Ho Sik Pak and will also include a  
discussion about self defense led by Gary  
Weyman, Irene Mak and Michelle Robins.

**Date:** Saturday, April 16  
**Time:** 1:30 PM to 4:00 PM  
**Location:** Tarzana Karate Studio  
19618 Ventura Boulevard, Tarzana  
**Cost:** \$40 which includes a book showing  
simple self defense techniques  
**Dress:** Exercise clothes

RSVP by April 10 to (818) 227-0490, ext. 105.

## New Lawyers Section Etiquette in the Courtroom

**APRIL 21  
5:30 P.M.  
SFVBA CONFERENCE ROOM  
WOODLAND HILLS**

Join us for a wine and cheese reception with  
Judge Michael Convey and Judge Susan  
Speer. They will discuss proper behavior and  
procedures in the courtroom.

**Free to SFVBA New Lawyers!  
1 MCLE HOUR**

## Santa Clarita Valley Bar Association Substance Abuse

**APRIL 21  
12:00 NOON  
TOURNAMENT PLAYERS CLUB  
VALENCIA**

Action Family Counseling Inc. will present on  
this issue. RSVP to (661) 414-7123 or [rsvp@scvbar.org](mailto:rsvp@scvbar.org).

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<b>\$45 at the door</b>	
<b>1 MCLE HOUR</b>	
<b>(Prevention of Substance Abuse)</b>	

## Family Law Section Enforcement of Attorney Fee Orders and Support Orders

**APRIL 25  
5:30 PM  
MONTEREY AT ENCINO RESTAURANT  
ENCINO**

Commissioner Keith Clemens, Ret. and  
attorney Ray Goldstein, an expert in this area,  
will address the enforcement of Attorney Fee  
Orders and Support Orders.

<b>MEMBERS</b>	<b>NON-MEMBERS</b>
<b>\$45 prepaid</b>	<b>\$55 prepaid</b>
<b>\$55 at the door</b>	<b>\$65 at the door</b>
<b>1 MCLE HOUR</b>	

## Litigation Section Trademarks and Copyrights for Litigators

**APRIL 28  
6:00 PM  
SFVBA CONFERENCE ROOM  
WOODLAND HILLS**

Attorney Bob Finkel will discuss the above  
topics.

<b>MEMBERS</b>	<b>NON-MEMBERS</b>
<b>\$35 prepaid</b>	<b>\$45 prepaid</b>
<b>\$45 at the door</b>	<b>\$55 at the door</b>
<b>1 MCLE HOUR</b>	

The San Fernando Valley Bar Association is a State Bar of California MCLE approved provider. To register for an event listed on this page, please contact Linda at (818) 227-0490, ext. 105 or [events@sfvba.org](mailto:events@sfvba.org).





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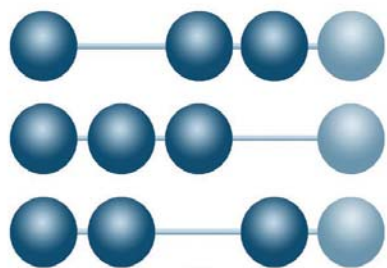


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