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**Professional Fiduciaries Bureau (Bureau)
Advisory Committee Meeting
Wednesday, November 18, 2015**

Meeting Minutes

Committee Members Present

Barbara de Vries, Chair
Aileen Federizo, Vice Chair (via teleconference location)
Jenny Chacon
King Gee
Hang Le To
Marguerite Lorenz
Kathleen Thomson

DCA Staff Present

Julia Ansel, Bureau Chief
Angela Bigelow, Program Analyst
Angelique Scott, DCA Legal Counsel

- 1) Call to Order – Ms. Barbara de Vries called the meeting to order at 10:10 a.m.
 - 2) Roll Call – Ms. Barbara de Vries, Committee Chair, called roll. There were seven members present. A quorum was established with all members present. Ms. Julia Ansel welcomed Mr. King Gee and congratulated him on his appointment to the committee. Ms. Ansel also thanked Ms. Marguerite Lorenz for her service to the committee, as this would be her last meeting.
 - 3) Introductions – Those in attendance introduced themselves.
 - 4) Professional Fiduciaries Bureau Mission Statement – Ms. Julia Ansel read the Bureau’s mission statement and stated there would be the opportunity for public comment after each agenda item.
 - 5) Approval of the Advisory Committee Meeting Minutes from August 19, 2015 – Ms. Marguerite Lorenz motioned to approve the minutes as written, Ms. Hang Le To seconded the motion, with a vote by roll call six members were in favor, none were opposed, one abstained, and the motion carried.
- Public Comment: None.
- 6) Updates from the Director’s Office – Department of Consumer Affairs (DCA) Deputy Director of Board and Bureau Relations Christine Lally welcomed Mr. King Gee on behalf of DCA Director, Awet Kidane.
Ms. Lally announce the retirement of Deputy Director of the Office of Information Services, Amy Cox-O’Farrell, after 38 years of service with the State of California. Mr. Jason Piccione, who has over 15 years’ experience with DCA, has been appointed to take her place.

1 An outside vendor did a pro-rata study and DCA held a cost distribution meeting November 17,
2 2015. Staff from all offices, which are paid by pro-rata, were present to provide information and
3 answer questions from board and bureau staff. The executive office received positive feedback
4 and will be holding this open house again in the future.

5 Ms. Lally reminded the committee members the Form 700 filing is required within 30 days of
6 appointment to the committee, annually, and within 30 days of leaving the committee. Filing of
7 the Form 700 will be paperless in 2016 through NetFile.

8
9 Public Comment: None.

- 10
11 7) Budget Report – Ms. Cynthia Dines, Manager of the Budget Office, presented a budget report of
12 the actual expenditures for last Fiscal Year (FY) 14/15, the allocated budget for this FY 15/16, and
13 the actual expenditures for this F"Y 15/16 through September 30, 2015.

14 Ms. Dines also presented the fund condition, which is part of the Governor's budget that will be
15 announced January 10, 2016. The fund condition report show actual budget for last FY 14/15,
16 authorized budget for Current Year (CY) 15/16, the Budget Year (BY) which is being built now,
17 and BY +1 projections. The months in reserve are declining and this appears to be because of
18 the pro-rata charged to the Bureau. This will be adjusted since the Bureau no longer uses some
19 of the services it is being charged for.

20 Ms. Federizo asked if there were other items affecting the budget and Ms. Dines answered
21 employee compensation may change due to salary increases and statewide prorate which DCA
22 does not have control over.

23 Ms. Federizo asked why the facility operations budget number was negative and Ms. Dines
24 answered the shift in funds was made to fully fund budgeted positions.

25
26 Public Comment: None.

- 27
28 8) Legislative Update – Ms. Natalie Martin-Rojas, DCA Legislative Analyst presented the following
29 legislative updates.

30
31 • Legislation Impacting the Bureau –

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33 ➤ **AB 436 (Jones) Guardian or conservator: powers and duties**

34 This bill clarifies that attorneys appointed by the court to represent conservatees in
35 dementia powers cases are to be discharged by the court or ordered to continue
36 representation upon the granting or denial of those powers. This bill has been
37 signed.

38
39 ➤ **SB 589 (Block) Voting: voter registration: individuals with
40 disabilities and conservatees**

41 This bill prohibits disqualifying a conservatee from voting if he or she would need to
42 complete an affidavit for voter registration with reasonable accommodations. This
43 bill also provides that a person is presumed competent to vote regardless of
44 conservatorship status and clarifies the judicial procedures through which an
45 individual with a disability or under a conservatorship would lose his or her ability to
46 vote. In order to deem a person mentally incompetent and disqualified from voting,
47 this bill would require a court to make a finding of clear and convincing evidence
48 that the person cannot communicate, with or without reasonable accommodations,
49 a desire to participate in the vote process. This bill was signed.

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- **SB 155 (Hertzberg) Decedent's estates**
This bill authorizes the trustee of a decedent's previously established trust, to petition the superior court for an order to transfer real and personal property, of any amount or value, from the decedent's "pour-over will" to the trust. *This bill was amended to address a topic unrelated to the Department and is a 2-year bill.*

- **SB 269 (Vidak) Conservator appointments: compensation**
This bill allows interested parties who are successful in their petition for appointment of another, more appropriate person as conservator, to recover compensation, reimbursement of attorneys' fees and other costs incurred in connection with that petition. *This is a 2-year bill.*

- Legislation Impacting All DCA Licensing Programs -
 - **SB 467 (Hill) Professions and vocations**
This bill would have required the Legislature to approve pro rata distributions at the Department. This bill would also require the Attorney General to implement performance measures regarding case referrals. In addition, this bill would direct the Division of Investigation (Division) to work cooperatively with healing arts boards regarding standard case referral to the Division. Finally, this bill would extend the sunset for the Board of Accountancy. *This bill was signed.*
 - **AB 12 (Cooley) State government: administrative regulations: review**
This bill would have required every state agency, department, board, bureau or other entity to review and revise regulations to eliminate inconsistent, overlapping, duplicative, and outdated provisions and adopt the revisions as emergency regulations by January 1, 2018. Additionally, this bill would have required the Business, Consumer Services, and Housing Agency to submit a report to the Governor and Legislature affirming compliance with these provisions. These provisions would be repealed by January 1, 2019. *This bill was vetoed by Governor Brown.*
 - **AB 750 (Low) Business and professions: licenses**
This bill would allow all programs within the Department to issue a retired license. *This is a 2-year bill.*
 - **AB 1060 (Bonilla) Cancer clinical trials**
This bill would create the Cancer Clinical Trials Foundation in the Health and Human Services Agency, to be governed by a board of trustees. Members of the board would be appointed as specified. The bill would also create the Cancer Clinical Trials Fund, and would continuously appropriate this fund to the board, thereby making an appropriation. The bill would authorize the board to solicit and receive money, as specified. *This bill was amended to address a topic or program unrelated to the Department.*

Public Comment: None.

- 1 9) Bureau Update –
 2 • Statistics – Ms. Julia Ansel presented the statistics for this Fiscal Year (FY) through
 3 October 31, 2015, as follows:
 4

Type	FY 15/16 through October 31, 2015
Licenses Issued	25
Active Licenses	677
Total Licenses Issued	876
Complaints Received	48
Complaints Closed	33
Complaints Pending	92
Average Days to Close Complaint	138
Accusations	0
Citations	0

5
 6 Public Comment: None.

- 7 • E-Newsletter – Ms. Ansel requested topic ideas and articles for the January 2016 e-
 8 newsletter to be submitted by December 11, 2015.
 9 • New Brochure – What is a Professional Fiduciary
 10 This brochure is with the DCA edit and design team and should be ready soon. Ms.
 11 Lorenz suggested that licensees make the brochure available to their clients.
 12 • PFB Survey Update – Ms. Ansel stated a survey was sent out via the interested parties
 13 email list requesting a reply from licensees. A good participation is considered to be 10%
 14 and the Bureau received a 20% response to this survey. Ms. Ansel reviewed twelve of the
 15 survey questions during the meeting.
 16 • Regulations – Client Notification Discussion
 17 There was a discussion as to who should be notified per the client notification regulation.
 18 There was no decision made during this conversation and it was decided this discussion
 19 would be brought back before the committee if needed in the future.

20 Public Comment: Mr. James Counts (via teleconference location) suggested the Bureau ask what
 21 other professional licenses licensees possess in the next survey.
 22

23 11:45-11:59 – Break
 24

- 25 10) Continuing Education Audit – Ms. Angela Bigelow stated the Bureau has completed the 2014 CE
 26 audit and the results will be published in the upcoming e-newsletter. The results were much
 27 improved from the 2013 audit. The Bureau received a 95% initial response. Over 60% were
 28 found in compliance without any additional contact. Most of the remaining licensees were able to
 29 comply once the Bureau contacted the licensee requesting additional information.
 30

31 Public Comment: None.
 32

- 33 11) Course Approvals – Ms. Angela Bigelow stated the forms to request approval from the Bureau
 34 are now posted on the Bureau’s website and the Bureau has received three requests for
 35 approval, all three courses have been approved. Two of the courses are listed on the Bureau’s
 36 website and the third course should appear on the website within the next week or so.
 37

38 Public Comment: None.

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2 12) Enforcement

- 3 • Review of Enforcement Process – Investigators Dave Thornton and Sara Lopez reported on
4 the enforcement process.

5 There were 150 complaints received in the Fiscal Year 14/15.
6

7 The complaint types included unlicensed activity, lack of communication from the licensee, not
8 handling case in the best interest of the consumer, embezzlement, incompetence/negligence,
9 and self-dealing. An example of self-dealing is a licensee and his wife owned a company and
10 when the market fell the licensee sold shares of his company to his clients trust accounts.
11 This action ultimately led to revocation of the license.
12

13 The Bureau does not handle fee disputes between the licensee and the client.
14

15 The Bureau receives notifications from the Department of Justice when a licensee has been
16 arrested and/or convicted of a crime. Upon receipt of these notifications, the Bureau opens a
17 complaint and will investigate. If there is a conviction, the Bureau can take action.
18

19 Complaints are prioritized and the most egregious complaints are handled first.

20 The steps followed for each complaint are:

- 21 -Review the complaint.
22 -Contact complainant by email, letter, or phone.
23 -Contact licensee by email.
24 -Coordinate with law enforcement, state agencies, and the District Attorney office (as needed).
25 -Face-to-face interviews (as needed).
26 -Investigative report for the Bureau Chief or subject matter expert (as needed) to review.
27

28 The possible outcomes are:

- 29 -No violation (lack of jurisdiction, lack of evidence, no response from complainant, or
30 complainant withdraws the complaint). In these instances, the complaint will be closed with
31 no action taken.
32 -Citation and fine of up to \$5,000.
33 -File an Accusation (comingling of funds, fraud, theft, or embezzlement).
34 -Settlement.
35 -Letter of public reprimand.
36 Any complaint closed without action is not public record.
37

38 Ms. Thomson asked if the actions are posted on the website and Mr. Thornton answered yes,
39 but the victim names are not included. Ms. de Vries asked how the subject matter experts are
40 selected and Mr. Thornton answered that there is a vetting process in place. Mr. Gee asked
41 what percentage of complaints are for unlicensed activity and Mr. Thornton answered less
42 than 10%.
43

44 Public Comment: None.
45

46 13) Future Agenda Items

- 47 -Additional information from the licensee survey
48 • What profession did the licensee come from
49 • Types of cases the licensee handles
50 -Who to notice in the Client Notification Regulations
51 -CE Audit results

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Public Comment: None.

- 14) Future Meeting Dates
 - Wednesday, February 3, 2016
 - Wednesday, May 18, 2016
 - Wednesday, August 24, 2016
 - Wednesday, November 16, 2016

Ms. Bigelow asked if there were any known conflicts with these dates and Mr. King Gee responded he has a conflict with the May 18, 2016 date. Ms. Bigelow requested the committee members look at their calendars and email any conflicts.

Public Comment: None.

15) Election of 2016 Chair and Vice Chair

Ms. Hang Le To nominated Ms. Barbara de Vries for the position of Chair, with a vote by roll call seven members were in favor, none were opposed, one abstained, and the motion carried. Ms. Marguerite Lorenz nominated Ms. Hang Le To for the position of Vice Chair. Ms. Barbara de Vries nominated Ms. Aileen Federizo for the position of Vice Chair. Ms. Aileen Federizo declined the nomination. With a vote by roll call seven members were in favor, none were opposed, and the motion carried.

16) Public Comment on Items Not on the Agenda – None.

17) Adjournment – The meeting was adjourned at 12:39 p.m.