



**Professional Fiduciaries Bureau
Advisory Committee Meeting Minutes
Wednesday, December 11, 2024**

Committee Members Present

Bertha Hayden Sanchez, Chair (attending remotely)
Elizabeth Ichikawa, Vice Chair (attending remotely)
Joyce Anthony (attending remotely)
Linda Ng (attending remotely)
Alfred Torregano (attending remotely)

Committee Members Absent

James Moore

Staff Present

Terri McClain, Program Manager, Professional Fiduciaries Bureau
Helen Geoffroy, Legal Counsel, Department of Consumer Affairs
Sue Lo, Enforcement Analyst, Professional Fiduciaries Bureau
Cathie Scott, Enforcement Analyst, Professional Fiduciaries Bureau
Angela Cuadra, Program Analyst, Professional Fiduciaries Bureau (attending remotely)

1. Call to Order – Bertha Sanchez Hayden, Chair

Chair Sanchez Hayden called the meeting to order at 10:02 a.m.

2. Roll Call and Establishment of Quorum – Angela Cuadra, Program Analyst

Ms. Cuadra called roll. Chair Sanchez Hayden and Committee Members Ichikawa, Anthony and Torregano were present from remote locations. Committee Member Ng was present at the Sacramento location. Committee Member Moore was absent. A quorum was established with five Committee Members present.

3. Advisory Committee Members, Bureau Program Manager, Staff and Legal Counsel Introductions –

Committee Members, Bureau staff and legal counsel introduced themselves.

4. Public Comment on Items Not on the Agenda

Chair Sanchez Hayden explained this agenda item is intended for the public to comment on items not included on today's agenda.

Public Comment: None.

5. Reading of the Professional Fiduciaries Bureau Mission Statement – Terri McClain, Program Manager

Ms. McClain read the Bureau's mission statement.

Advisory Committee Member Comments: None.

Public Comment: None.

6. Discussion and Approval of the Advisory Committee Meeting Minutes from September 11, 2024 – Bertha Sanchez Hayden, Chair

Mr. Torregano motioned to approve the meeting minutes as written and to allow Bureau staff to make non-substantive edits as needed. Ms. Ng seconded the motion. There was no discussion from the Committee members.

Advisory Committee Member Comments: None.

Public Comment: None.

Ms. Cuadra repeated the motion to approve the minutes as written and allow the Bureau to make non-substantive edits if needed. A roll call vote was held. Chair Sanchez Hayden, Ms. Ichikawa, Ms. Anthony, Ms. Ng, and Mr. Torregano voted to approve the motion. Ms. Cuadra noted that Mr. Moore was absent from the meeting. The motion carried with five votes. Ms. Cuadra noted that the minutes will be posted to the Bureau's website.

7. Update from the Director's Office – DCA Executive Staff

Korrina Moreno provided an update on behalf of the Department of Consumer Affairs (DCA) and thanked all members who serve to protect the public.

The Diversity, Equity and Inclusion (DEI) Steering Committee met on October 25, 2024 and elected Reji Varghese as Chair and Marlon McManus as Vice Chair.

DCA is updating its current Unconscious Bias training to focus on members, their critical roles, and how unconscious bias can affect decision making authority. The training will be self-paced and available on the DCA's online Learning Management System (LMS). DCA anticipates launching the training in early 2025 and members will be required to take it annually. There are currently over 20 online DEI courses available in LMS. The courses are not mandatory, but members and leaders are strongly encouraged to take the trainings as they are instrumental in leading department wide change.

On November 21, 2024, DCA hosted a second live webinar to share information about military licensing resources. Attendees learned about resources available to members of the military and their spouses or domestic partners. The webinar featured a demonstration of the DCA Federal Professional License Portal and State Registration Process followed by a question-and-answer session.

On November 13, 2024, DCA held its Annual Turkey Drive and collected over 2000 pounds of food, including 110 turkeys to help local families in need through Sacramento based Joey's Food Locker and Natomas Unified School District. Additionally, DCA officially launched the Our Promise campaign which will run November 18 through December 31, 2024. This year's campaign is led by Monica Vargas, Deputy Director of Communications and Karen Navarro, Assistant Deputy Director of Communications.

Advisory Committee Member Comments: None.

Public Comment: None.

8. Budget Report – DCA Budget Analyst

Brendan Vue, a Budget Analyst at the Department of Consumer Affairs, provided the Bureau's budget update including an overview of expenditures and the fund condition. Mr. Vue noted the projections on the expenditure handout were based on actual data through fiscal month three and included 2023-2024 actual expenditures. He stated the Bureau had a beginning base budget of a little over \$1.1 million and is projected to spend \$809,000 creating a reversion to the Bureau's fund of approximately \$314,000 or 28.06%.

Mr. Vue reviewed the Bureau's revenue projections handout. He noted this handout included receipts collected through September and the projected revenue through year-end.

Mr. Vue provided an overview of the fund condition. The Bureau began 2023-2024 actuals or \$256,000, collected \$842,000 in revenue, and expended \$797,000. The Bureau closed 2023-2024 with \$301,000 or 4.1 months in reserve. For current year, 2024-2025 the Bureau projects just over \$1.1 million in revenue and \$878,000 in expenditures based on the Governor's Budget Act which will leave the Bureau with \$549,000 or 5.4 months in reserve. Mr. Vue noted the fund condition is a snapshot in time.

Advisory Committee Member Comments: Ms. Ng asked for clarification of the item "other revenue" on the revenue projection report. Mr. Vue explained "other revenue" includes canceled warrants and dishonored check fees.

Public comment: Mr. Jerry Desmond, representing the Professional Fiduciary Association of California (PFAC), commented that PFAC is concerned with the increase in licensure fees that there will be a decrease in the licensing population. He asked that the Bureau monitor if current renewals received are in line with the anticipated budget.

9. Legislative Update and Discussion – DCA Legislative Analyst

Chair Sanchez Hayden stated there is currently no legislation related to the Bureau for discussion.

Ms. Alice Bourdykina-Jelobniouk, a Legislative and Regulatory Manager at the Department of Consumer Affairs, stated the Governor has acted on all 2024 bills as of October. The California Legislature has been on fall interim since September. They just had their first floor session on December 2, 2024 to convene the 2025-2026 regular session, introduce newly elected members, and vote on house rules. She provided an update on legislative timelines for the upcoming year.

Advisory Committee Member Comments: None.

Public comment: None.

10. Bureau Updates –Terri McClain, Program Manager

- Application, Licensing and Enforcement Statistics - Ms. McClain presented application, licensing, and enforcement statistics from July 1, 2024, through September 30, 2024.

- Bureau Efforts to Increase Licensing Numbers – Ms. McClain stated the Bureau has implemented new processes to notify applicants that their applications are nearing abandonment within the next three months. Additionally, the Bureau runs a report once a month to identify licenses that have expired the prior month and sends a letter to the licensee by email and mail with the items needed to renew their license. If the licensee does not renew the license, the file is sent to the enforcement analyst for possible referral to management for disciplinary action. Finally, the DCA Office of Public Affairs has developed an eight-minute video that provides specifics and requirements needed to apply to be a Professional Fiduciary. The Bureau anticipates the video to be posted to the website in approximately two weeks.
- Outreach Events – Ms. McClain thanked Chair Sanchez Hayden for inviting her to an outreach event on October 8, 2024. The event was California for all Ages and Disabilities Day of Action. The speakers were Governor Gavin Newsom, Secretary of the California Business Consumer Services and Housing Agency, and the keynote speaker was Secretary of the United States Department of Health and Human Services. She stated that a main takeaway was supporting the aged and disabled by providing the services they expect. She explained that Bureau staff continuously strive to safeguard the well being of consumers receiving professional fiduciary services and gladly perform all duties as representatives of part of DCA, which is an agency focused on working together to protect all California consumers. Ms. McClain thanked staff for their hard work.
- E-Newsletter – Ms. McClain stated an E-newsletter is expected to be posted within the next month with a lot of exciting information. She stated the newsletter would also include detailed information on AB 1262 which was signed by the Governor in October of 2023.
- Strategic Plan Update – Ms. McClain stated there no updates regarding the Bureau’s Strategic Plan.

Advisory Committee Member Comments: Chair Sanchez Hayden thanked the staff for their hard work this year.

Public comment: None.

11. Enforcement Process Presentation – Helen Geoffroy, Sue Lo and Cathie Scott

Ms. Lo and Ms. Scott provided an overview of the complaint and enforcement process. BPC 6580 requires the Bureau to investigate all complaints that are received. The

Bureau has authority to take action against a license if violations of the Professional Fiduciaries Act (Act) have occurred. Complaints are received by email, mail, phone or in person. The Bureau may also initiate complaints internally if it comes across information prompting further investigation. The complaint and investigation process is not subject to public disclosure. Administrative and disciplinary actions taken by the Bureau are available to the public on the Bureau's website at www.fiduciary.ca.gov under the Bureau's Action page.

The Bureau has authority to take action against a license for violations of the Act or other laws related to the duties and functions of a Professional Fiduciary. Administrative actions are citations which may include a fine and/or order of abatement and are usually issued for less egregious acts such as failure to meet renewal requirements. Types of disciplinary actions the Bureau can take include issuing a letter of public reprimand, placing a license on probation, suspension, revocation, or accepting a surrender of license while charges are pending.

The Bureau does not have authority to overturn, enforce, or determine a violation of a court order, remove a Professional Fiduciary from an appointed position, amend, enforce, or interpret the terms of a legal document or proceeding, direct the administration of a trust or estate or direct payments from the trust or estate. The above actions fall under the purview of the probate court.

Finally, the Bureau cannot investigate criminal acts. These matters should be reported to law enforcement and proceed through the criminal court.

When the Bureau receives a complaint, it first determines if the complaint is jurisdictional. Complaints against that are outside of the Bureau's authority such as an attorney licensed by the California State Bar (BPC 6530), a family member, banks or mortgage lenders would be non-jurisdictional. These complaints would be referred to the proper department or agency.

Complaints within the Bureau's jurisdiction are complaints against licensed Professional Fiduciaries operating as conservators, guardians, trustees, agents under durable power of attorney, and personal representatives of a decedent's estate. Jurisdictional complaints also include unlicensed individuals that are required to be licensed as specified in BPC 6501.

The intake process includes a preliminary analysis to determine allegations, possible code violations, additional documentation needed from the complainant and review of

the complaint history. An acknowledgement letter is sent to the complainant within ten days of receipt and may include a request for additional documents.

The Bureau's role is to conduct an objective and impartial investigation by reviewing the facts of the matter. When an analyst is assigned to the complaint, the analyst will conduct a thorough review of the complaint, supporting documents, and relevant statutes and regulations that may have been violated. This is a more in-depth review and analysis after the initial intake process. The analyst may request additional documents from the complainant or the licensee and may interview conduct interviews with complainants, licensees, and witnesses to obtain statements and supporting information.

When the investigation has been completed, the analyst prepares a detailed report outlining the allegations, facts of the case, and an analysis of whether the allegations are substantiated or not. If a violation is determined, the analyst will note statutes and regulations which were violated, prepare the evidence, make recommendations to the Bureau Chief/Program Manager of no action, to issue a citation or for referral to the Attorney General's Office for discipline. Once the investigation is completed, the complainant and the licensee are sent a letter notifying them of the outcome.

The most common closure types are "no violation" meaning that the licensee did not violate any laws or regulations pertaining to the profession, "insufficient evidence" which means there is not enough information or supporting facts to substantiate the allegations. The Bureau may also substantiate one or more of the allegations and issue a citation or for more egregious acts, the Bureau may determine disciplinary action is warranted. If disciplinary action is warranted, the case is referred to the Attorney General's Office for discipline.

The timeframe to conclude an investigation will vary based on the complexity of the complaint. Many complaints have a lot of information to go through while others are more straightforward and may be completed much faster. There are no two complaints exactly the same and while there may be similarities, each complaint has different factors and the outcomes may also be different. Each investigation and complaint must stand on its own merit.

Licensees who fail to cooperate with the Bureau's investigation, fail to provide information and documents, or fail to provide true and accurate information may be subject to further discipline.

Once the Bureau has issued a license after an applicant has met all licensure requirements, the person is entitled to that license and the Bureau cannot take away or discipline the license without due process. Due process gives the licensee notice there is an issue with their license, the opportunity to speak and be heard about the issue and be part of the process in order to proceed against either disciplining or limiting their license. Enforcement documents are available to the public after they are finalized.

Advisory Committee Member Comments: Chair Hayden Sanchez thanked the presenters for the thorough presentation to help the public and licensees understand the Bureau's complaint and enforcement processes.

Public Comment: None.

12. Future Agenda Items – Angela Cuadra, Program Analyst

Ms. Cuadra noted there no requests for future agenda items.

Advisory Committee Member Comments: None.

Public comment: None.

13. Future Meeting Dates

Chair Sanchez Hayden provided the following confirmed meeting dates for 2025 Wednesday, March 12, 2025; Wednesday, June 11, 2025; Wednesday, September 10, 2025; and, Wednesday, December 10, 2025.

Advisory Committee Member Comments: None.

Public comment: None.

14. Adjournment

Chair Sanchez Hayden noted that there was an error on the agenda listing item number thirteen twice and adjourned the meeting at 11:26 a.m.