



OFFICE OF LEGAL SERVICES INNOVATION

An Office of the Utah Supreme Court

Draft LSI Committee Meeting Minutes December 13, 2022

Attendees

Board Members:

John Lund, Chair
Sue Crismon, Executive Director
Dr. Tom Clarke
Dr. Rebecca Sandefur
Lucy Ricca

Contractors:

Dr. James Teufel
Helen Lindamood

1. Welcome: (John Lund)

Mr. Lund welcomed everyone to the meeting.

Mr. Lund motioned to approve the minutes as drafted. Dr. Sandefur seconded, and the motion passed without objection.

2. Report: Contractor Reports

Mr. Lund began by noting his frustration with the delay in the launch of the QuickBase Application.

Dr. Teufel reported he spent November following up with entities with data issues. November reports look good. He has also been training Will to follow up with faulty data entities. Will has been working on more efficient methods to present data in the printed report. John asked that these improvements be collaborative.

Ms. Lindamood reported that in November, she has been working on the QuickBase application transition, with 35% of the time going to administrative tasks, 45% to regulatory operations, and 20% to communications and outreach.

Ms. Crismon reported that in November, she focused her time on working on the Manual, Application Flow, Templates, and Policies discussed at recent meetings. She has also worked on various presentations in November, making headway. There was also an influx in applications in November, on which Ms. Crismon spent time processing applications.

3. Report: Entity Action

Tier Two Entities

Mr. Lund is just waiting for a few follow-up items before completing his audit.

The question was raised, how hard is it to press RocketLawyer to post the badge? It is some on pages, but not all. Mr. Lund suggested the Office should require it to be on the home page with the opportunity for entities to request an exemption if they operate in multiple states.

Enforcement Discussion

The entities that have failed to launch are Xira, DSD, and 1Law. LawPal has launched twice and then retracted. After discussion, the Committee moved to wait a few more months before acting on Lawpal. Ms. Crismon will draft recommendations for the other entities to be moved to provisional authorization to be presented at the January 5th Court Conference.

Mr. Lund sent an inquiry to D4U's attorney last week with a 10-business-day deadline, who confirmed receipt. Mr. Lund will report when he has received a response.

4. Discussion and Action: Enforcement Policy (James Teufel)

Dr. Teufel discussed the proposed policy, addressing concerns of Office capacity, the defining the policy actually increasing efficiency because there is no back and forth on handling complaints. Further, the policy aims to communicate expectations to entities and does not indicate a massive change on the data compliance side.

Mr. Lund asked whether this scales up from 2-5 enforcement cases to 20. Dr. Teufel clarified the Blue stage operates as the "nudge" stage to avoid bigger cases. The higher stages do not actually have additions, and these will remain time intensive for the whole committee, not necessarily the contractors. There is still room for the committee's judgment as well.

Ms. Ricca noted that the policy has two outstanding missing items. 1. What the office and the committee can do vs. what needs to go to the Office. She intuits that only termination needs to go to the Court, but we need to clarify with them. 2. What fines should be imposed?

Ms. Crismon questioned whether the bar imposed fines. Maybe fines would be appropriate for data compliance, but other issues would be too vague. Dr. Clarke noted other industries use fines where termination is less of an option.

Tabled for Mr. Lund's review and comments.

5. Discussion and Action: Fee Policy (Sue Crismon and John Lund)

Ms. Crismon raised concerns that \$5k is too much for nonprofits and a \$500 application fee doesn't feel like a lot, but for entities that need provisional authorization, it adds up a lot. Mr. Lund empathized but raised concerns about funding the Sandbox operation. Ms. Crismon reiterated there should be a fee closer to \$200-300 for everyone with an optional waiver application. Mr. Lund was very opposed to any waiver from the Office but raised the option of the Utah Bar Foundation covering fees for organizations they deem worthy. Ms. Crismon questioned whether the Office or the UBF would process the "application" for waivers. The fee structures, as drafted, will likely weigh heavily on ALP nonprofits.

The draft proposes annual licensing for all Sandbox entities instead of tier-two fees.

Dr. Clarke proposed alternatively keeping fees high and adding a hardship waiver for all fees.

Dr. Sandefur noted a fee structure to run a regulator should not be a political act.

Ms. Crismon asked for clarification on whether the app fee is due at application, qualification for application, or authorization. Mr. Lund opined fees should be due at submission with no option for reimbursement. Applicants can reach out with questions before submission.

Mr. Lund motioned to approve as drafted with development for implementation. The motion passed unanimously.

6. Adjournment and Next Meeting:

The meeting adjourned at 11:41 AM. The next meeting will be on January 10, 2022, from 10:00 - 11:30 AM MST.