

7-1-1940

Committee Reports

S. H. Kelleran

J. E. Stewart

W. G. McLaren

L. L. Thompson

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Recommended Citation

S. H. Kelleran, J. E. Stewart, W. G. McLaren & L. L. Thompson, State Bar Journal, *Committee Reports*, 15 Wash. L. Rev. & St. B.J. 197 (1940).

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COMMITTEE REPORTS

Reports of the Committees of the State Bar Association will not be read at the Convention. Members of the Association are requested to familiarize themselves with the work of the committees through the published reports in the following pages.

Bar Examiners

Since the last annual report of the committee, two of the then members, Mr. Floyd B. Danskin and Mr. Clifford Newton, have resigned. Those familiar with the efforts of these gentlemen acknowledge the able and conscientious character of their efforts during their respective terms of service.

Also since the last report, the Board of Governors has changed the time for the holding of the coming midyear examination from July to September. Your committee is not informed as to whether this is to be a permanent change. This change will prevent disclosure of the results at the annual meeting of the association this year. While this is an incident usually of much interest at such meetings, it has no other significance.

At the last examination in January, 1940, there were 41 applicants, of whom 32 were successful. It is rather strange, but for the past several years the ratio of successful to total applicants remains about the same. It is higher than in most of the states and much higher than in some. Explanation of this can be found perhaps in part in the basis of approach to selection, but we believe in the greater part it arises from the process of elimination in the law schools of this state. This process nowadays seems to be applied rigidly, possibly much more so than in earlier years. For reasons often elaborated, benefit to all concerned is achieved thereby. In referring to the basis of approach, we mean that there is no purpose here in Washington established, either by rule or otherwise, to limit the successful applicants to a given number, or to a given percentage of the whole, and the sole line of demarcation sought between those who shall enter and those who shall not enter is the line between fitness and ability and lack thereof.

GLENN E. CUNNINGHAM

GEORGE W. McCUSH

S. H. KELLERAN, *Chairman*

Legal Ethics

The Committee on Legal Ethics deals only with problems submitted to it for solution. During the past year, but two questions have been referred to the committee.

First, the committee was requested to pass upon the propriety of lawyers practicing before a Justice of the Peace with whom they maintained a joint reception room. It was the opinion of the committee that such practice would not be proper for obvious reasons.

The other question which was submitted to this committee, pursuant to a resolution adopted by the committee on Unauthorized Practice of the Law, pertains to the giving of legal advice by Superior Court judges to those applying therefor. It was the opinion of the committee that such conduct on the part of our judges has not been very prevalent, but it appears that there have been instances of infractions of the law and the canons of judicial ethics in this respect. It was the opinion of the committee that such practice if continued would reflect upon the standing and impartiality of our Superior Court judges and weaken the confidence of the public in our judiciary. It was therefore recommended that the matter be brought to the attention of the State Association of Superior Court Judges.

W. G. McLAREN

A. A. HULL

J. E. STEWART, *Chairman*

Cooperation With American Bar Association

The past year has seen a marked increase of cooperative activity between local and state bar associations and different sections of the American Bar Association. This increase is not to be measured by the mere gain in membership of the American Bar Association, although that of itself has been quite substantial.

One comparatively recent activity has been the holding of "regional conferences" initiated and sponsored jointly by officials of local associations and representatives of the American Bar Association. Thus far these conferences have usually been held in the more populous districts where the handicaps of long distance travel are not encountered. These conferences have proved to be a very stimulating forum for the discussion of problems and programs in which both local and the national bar associations are interested.

Another very important subject on which there has been a very substantial cooperation is the matter of obtaining by congressional legislation a reform of procedure before administrative tribunals, including the appellate procedure from such tribunals to the courts. This problem was given special study by the Administrative Law Section of the American Bar Association for several years. Finally its recommendations were submitted to and vigorously debated by the House of Delegates at the midwinter meeting of January, 1939. At the conclusion of

this all-day debate the House of Delegates voted to support the proposed draft of bill recommended by the Administrative Law representatives. In due course of time this proposed bill with some modifications, now known as the Walter-Logan Bill, was introduced in Congress and passed the lower House by a vote of approximately four to one. It is of interest to note that there were only three states whose congressmen voted against the passage of this bill and that Washington was the only state whose congressmen all voted against it.

The bill has already received endorsements from a considerable number of both local and state bar associations. These endorsements no doubt have considerable influence in producing the overwhelming support which the bill received in the lower House of Congress.

This subject of procedure before administrative boards, whether state or federal, is one which directly concerns every attorney in the active practice of law. There is every reason to expect that this administrative procedure and practice will continue to increase rather than to diminish. It is of importance, therefore, to every lawyer that some carefully studied and standardized system of procedure should be evolved and finally enacted. If such procedure is finally adopted by congress it will no doubt facilitate the adoption of similar enactments by the state legislatures.¹

We believe that the increasing activities of the American Bar Association as to subjects which directly affect the interest and welfare of the individual attorney will inevitably produce a correspondingly increased cooperation between the local and national bar associations.

H. A. LA BERGE
A. O. BURMEISTER
J. A. COLEMAN
S. HAROLD SHEFFELMAN
W. G. McLAREN, *Chairman*

Selection of Judges

In view of the fact that the legislature was not in session during the past year, the committee did not have any substantial functions to perform except to investigate the qualifications of persons proposed for appointment to certain vacancies in the superior and supreme court. During the past year, there was one vacancy upon the supreme court and three upon the superior court which were filled by appointment by Governor Martin. The committee is happy to report that it was given fair and considerate treatment by Governor Martin at all times. It believes that all of the appointments made by the Governor were generally approved by the bar and that the appointees will prove to be valuable public servants.

¹"Practice Before Administrative Tribunals" will be discussed at 2 p. m. Wednesday, August 7, at the Legal Institute held in conjunction with the Annual State Convention at Olympia. See complete program, pp. 193-195.

In connection with the appointment of persons to the superior court, the committee again repeats the observation made in 1938 by the previous committee concerning the difficulty in inducing lawyers of ability to accept these appointments. The experience of the committee is that there is a scarcity rather than a surplus of qualified men who are willing to take judicial appointments. The reason, of course, is the disinclination of successful and able attorneys to compete under the present direct primary system.

As is indicated in the 1939 report of the previous committee, there was at that time attempted to be enacted by the legislature a resolution providing for the amendment of the state constitution relating to the selection of judges. This proposed amendment was known as House Joint Resolution No. 11 and is set forth in the 1939 July issue of the State Bar Journal. It is unnecessary to reprint it in this report as the bar is doubtless familiar with its provisions. In substance it abolishes the direct primary in so far as the judges are concerned and provides in lieu thereof for the appointment by the governor of judges from a list recommended by a judicial commission to be created by the legislature. This resolution failed of passage in the 1939 session. The present committee is of the opinion that we should continue to press for this constitutional amendment and it has no suggested changes to make in the text of the resolution heretofore proposed.

In conclusion, the committee again reiterates its dissatisfaction with the present method of selecting judges. It believes that the nature of the office is such that a direct primary is not a proper instrument for such selection. This is particularly true when the primary operates in connection with the gubernatorial appointment of judges to fill vacancies. Usually, judges are re-elected to office. Probably, the average number of vacancies each year in the state will amount to three or four. This means that there are three or four appointments each year made by a political officer with all its disadvantages. The state has been fortunate in the last seven years in having a governor who is willing to take the opinion of the bar concerning these appointments and who has a proper understanding of the importance of judicial office. Obviously, however, other governors will be elected and it is quite possible, if not probable, that in future times we will not have so happy a situation as we have had in the past.

ELIAS A. WRIGHT

A. E. RUSSELL

H. C. BRODIE

CHARLES A. SATHER

W. B. CLARK

L. L. THOMPSON, *Chairman*

Unauthorized Practice of Law

The Unauthorized Practice of Law Committee was limited to holding one meeting during the past fiscal year, principally because of lack of funds. The meeting was held in the offices of the Washington State Bar Association at Seattle and was attended by S. M. Brackett, Bar Association Counsel, in addition to the committee members.

Summary of Complaints During the Past Year

Under the supervision of the committee and by direction of the Board of Governors, counsel for the bar association has, during the past year, negotiated agreements upon the part of six notaries public to discontinue the drafting of legal instruments. Three complaints against collection agents regarding the use of "Final Notice Before Suit" or like simulation of judicial process have been referred to the prosecuting attorneys of the counties in which the complaints arose. The latter have found no difficulty in stopping the illegal practice.

Negotiations with a trust company have resulted in an agreement to discontinue the objectional features of certain advertising material with reference to acting as executor or trustee.

Procedure Before State Administrative Boards

A special committee has made a detailed study of the procedure adopted in other states for hearings before various administrative boards and with the cooperation of state officials is formulating a code of procedure for adoption by the administrative boards of the State of Washington.¹

The Donald L. O'Toole House Bill No. 8349

This bill is designed to prohibit corporations and laymen from practicing law before the federal courts and administrative tribunals, a branch of the law in which so-called laymen specialists and corporations have developed an active practice. These laymen specialists and corporations, of course, are not bound by the lawyer's code of ethics; standard of education, and the supervision of a bar association. The lawyers are prohibited from soliciting or advertising methods of securing their practice and yet are forced to compete with this kind of lay and corporate practice. It is up to the lawyers to recognize the existence of this evil if they wish to preserve the practice of law for those qualified, and to help protect the public interests. In addition to recognizing this condition, it is necessary that every lawyer in this country get busy and back up this legislation with all the possible sources at their command. It is the belief of the committee that each and every lawyer in this state should take it upon himself to write to all the legislators they are acquainted with and help promote the passage of the bill.

Conveyances and Realtors

It is very important that the lawyers in this state notify the Un-

¹See Report of Committee on Administrative Law, p. 203.

authorized Practice of Law Committee of actual cases in which they have facts pertaining to the real estate businessmen and notaries public carrying on legal practice. The realtors are becoming more bold in their activity in the practice of law and should be stopped as they are causing great losses to the public. This is creating a real evil in this state. The carelessness of the realtor in this regard is also causing the title companies of this state untold grief in endeavoring to straighten out the mix-up in legal documents created by them. The title companies are refraining and refusing to perform legal services in this state and should be protected from contending with the evils of this practice by laymen. It is only through the help of the lawyers of this state that your bar association committee can secure the proper information to put a stop to this type of unauthorized practice.

Liability Insurance Adjusters

There has been, during the past two or three years, a large development of lay insurance adjusters, individuals and corporations, who are out soliciting and prosecuting personal injury damage suits. This type of adjuster also solicits insurance companies for the handling of claims against them. This the lawyers are prohibited from doing by the Code of Ethics. These adjusters carry the matter of adjusting claims through to settlement or up to the actual point of bringing suit thereon. If suit is brought, the adjuster, not the client, selects the lawyer. This type of practice can be stopped and your committee recommends that you notify the State Bar Association of such unauthorized practice violations, so that we can bring the proper proceedings to eliminate the same.

Board of Tax Appeals

Some accountants are still bringing proceedings before the Board of Tax Appeals in this state, which is strictly the practice of law, and should be stopped. The Certified Public Accountants' Society of King County have agreed that when an income tax case develops to the point where it is necessary to effect an appeal to the board, and before any pleadings have been made thereto, lawyers should then be secured to handle the cases. However, there are still a number of accountants in the state who refuse to follow this procedure, and all violations by accountants of this kind should be turned over to the Unauthorized Practice Committee.

Recommendations

Every lawyer in this state should remember that the Unauthorized Practice Committee is created for the purpose of correcting and prohibiting through whatever method found advisable the violation of practice of law by laymen and corporations. Complaints turned into this committee are handled in the strictest confidence. The State Bar Association and this committee will prosecute and handle all such violations without disclosing from whom the information has been received,

and no lawyer needs to feel that his identity as a complainant will be disclosed to the people in his community or to the violators of unauthorized practice of law by turning into the Association information received.

Your committee strongly feels that it is very important that additional funds should be raised by the bar of this state to put forth a vigorous and energetic campaign to stop the large volume of unauthorized practice of law being carried on. This committee needs funds for the purpose of carrying out investigations throughout the state and properly to prosecute litigation in making corrections.

Eastern District

F. L. STOTLER

GLENN L. BEAN

ROBERT R. PENCE, *Chairman*

Western District

H. R. LEA

C. J. HENDERSON

E. B. HANLEY, JR., *Chairman*

Administrative Law

The Committee on Administrative Law, originally appointed on May 10, 1939, and reappointed on October 6, 1939, has been meeting during the past year and is progressing in the accomplishment of its purpose.

The committee has found that little thought has been given by state bodies exercising semi-judicial functions¹ to the adoption and promulgation of rules of practice and procedure, and that a large part of the practice before these bodies constitutes the practice of law, to which fact little attention has been paid.

While it has been generally realized that administrative bodies have been growing in number and scope of activities, the extent of practice before such tribunals by laymen has not been appreciated. The com-

¹The committee's activities relate to practice and procedure before state administrative bodies. The need for procedural reform in federal administrative law is now being examined intensively by the Attorney General's Committee on Administrative Procedure under Dean Acheson, Chairman, and Walter Gellhorn, Director. Public hearings begun in June were continued July 10, 11 and 12. Preliminary monographs released by the Attorney General's committee are now being studied by the State Bar Committee.

The work of this committee and of the Attorney General's committee is not to be confused with the Junior Bar Conference nation-wide survey of *judicial administration* (as distinguished from procedure before *administrative bodies*) now being conducted in collaboration with the National Conference of Judicial Councils and the Section of Judicial Administration of the American Bar Association, under Paul B. DeWitt, national director. Paul Fetterman, of Seattle, is in charge of this survey in the State of Washington.

mittee, constituted largely of members of the bar engaged in practice before such bodies, has been extremely well equipped to understand, discuss and determine the solution of the problems involved.

Consultations have been held with state department heads, all of whom expressed a knowledge of lax conditions with respect to practice and procedure, and a willingness to aid in correction.

The committee gathered rules of practice and procedure from various state and federal agencies, and after considerable study is now drafting a proposal designed for adoption by state boards, commissions and departments.

The committee has also investigated questions of unauthorized practice before administrative bodies. In connection with these matters the work of Mr. Frederick J. Lordan, a member of the committee, merits special mention.

The committee feels that with the cooperation of the heads of these state bodies rules of procedure will be promulgated and rights to practice defined.

Because the work of the committee is as yet in its formative stage no definite report on its accomplishments can be given.

OTTO B. RUPP

PHILIP D. MACBRIDE

LOREN GRINSTEAD

EDWARD G. DOBRIN

ROBERT B. LYTEL

FREDERICK J. LORDAN

REUBEN C. CARLSON

E. K. MURRAY

CHARLES P. LUND

JAMES A. BROWN

RAYMOND W. CLIFFORD

H. C. BRODIE

DEAN H. EASTMAN

THOMAS H. MAGUIRE

HENRY T. IVERS, *Chairman*

Annotations to the Restatement of the Law

During the past year the work of annotating the Restatement to Washington decisions has progressed steadily and the following Annotations have been definitely completed during that period:

"SUPPLEMENTAL ANNOTATIONS TO CONTRACTS."

Professor Shattuck has supplemented the original Washington "Annotations to Contracts" by annotating all contract cases in Volumes 177 to 200 of the Washington Reports.

"CONFLICT OF LAWS."

Professor Sholley has completed the Annotations to "Conflict of Laws" and the printed volume containing the Annotations was published and distributed in May, 1940.

"RESTATEMENT OF PROPERTY" (Volumes 1 and 2).

Mr. Franklin C. Hackman has completed the Annotations to Volumes 1 and 2 of the "Restatement of Property." They have been forwarded to the American Law Institute and will be published this fall. The bar is indebted to the Washington Title Insurance Company for its cooperation.

"AGENCY."

The Annotations to the Restatement of "Agency" have been practically completed by Professor Ayer. They will go forward to the American Law Institute during the summer.

The work of annotating the Restatements of "Trusts" and of the first two volumes of "Torts" is going on steadily under Professors Nottelman and Richards, respectively. It is hoped to have these compiled before the end of the present year.

Prior to the annual meeting of the American Law Institute held in Washington, D. C., in May, 1940, there were completed and submitted to the members at the meeting for their consideration the following:

"Restatement of Security"—Tentative Draft Number 4;

"Code of Evidence"—Tentative Draft Number 1.

In connection with the work in the field of criminal justice there were also completed and submitted proposed final drafts of (1) "Youth Court Act" and (2) "Youth Correction Authority Act."

Hon. Herbert F. Goodrich, Advisor on Professional Relations of the American Law Institute, made an encouraging report on the progress of the preparation of Annotations throughout the country. During the current year, Dean Goodrich was appointed to, and is now serving as a member of, the United States Circuit Court of Appeals for the Third Circuit. There is strong likelihood that he will be persuaded to remain as Advisor on Professional Relations notwithstanding his appointment to the bench. His services on behalf of the American Law Institute have been invaluable and this committee joins in the hope that Judge Goodrich will continue serving the American Law Institute in his present capacity.

It is realized that there are several volumes of the Restatement upon which the work of preparing Annotations has not yet been started in this state. In view of the progress made during the past year toward the completion of Annotations previously started, the committee feels that work should now be begun upon the remaining volumes.

PAUL P. ASHLEY

GEORGE DONWORTH

S. HAROLD SHEFFELMAN, *Chairman*

Legal Education

The Committee on Legal Education held one meeting at Seattle, the entire committee being present.

We have examined into the standards of legal education set by the Board of Governors and find them high, Washington being among the leaders. The requirement of two years preparatory college work seems to be justifying all that was expected of it in raising the general average of admission. Students in offices are rapidly becoming a negligible quantity. The college work is an encouragement to a complete course in law school.

We commend the work being done by the present Board of Law Examiners. They are putting a great deal of effort into their work and the examinations are being conducted intelligently, fairly and efficiently. The Board of Examiners have made it a point to confer periodically with the faculties of the two law schools of the state and this has been productive of good results.

We renew the recommendation made in 1938 (See XIII WASHINGTON LAW REVIEW 285, July, 1938) for the reconstruction of the Committee on Legal Education so as to make it widely representative of the profession and the judiciary.

Our attention has been called to the problem of the admission of attorneys in government service who are in the state a short time and then remove elsewhere. These attorneys may be admitted in states with standards greatly inferior to ours. We recommend that on proper showing they be given temporary certificates of admission and the same be cancelled on their removal from the state. If they subsequently apply for a permanent certificate the fact that they may have had a temporary certificate should not be deemed sufficient to alter or reduce the general requirements for permanent admission.

We consider Washington very fortunate in having avoided the distressing situation in some states which has arisen by the encouragement in past years of the commercial law school. We have two law schools of high standing, both of which have constantly endeavored to improve legal standards. The commercial aspects of legal education have not plagued us as they have in some states.

L. R. BONNEVILLE

JUDSON F. FALKNOR

ARTHUR E. SIMON

J. V. LINDEN

DIX H. ROWLAND, *Chairman*

Federal Legislation

The Committee on Federal Legislation has currently received the bills as enacted by the Third Session of the Seventy-sixth Congress. A review of this legislation is beyond the scope of this report.

There have been specifically referred to the committee by the Board of Governors certain items.

First: The communication from the National Civil Service Reform League, asking our endorsement to a determined effort to make sure that the increasing governmental powers shall be administered only by trained and qualified public employees and not by appointments fixed on the basis of political expediency or patronage. Our committee after reviewing the referendum made its recommendation in the negative and against cooperation and financial assistance to those who constituted the Civil Service Reform League, this under the belief that little could be accomplished as a result of our participation.

Second: There was submitted to us the question of whether or not this Bar Association should appoint a committee to cooperate with the parent committee of the American Bar Association in all matters concerning the Law Library of Congress. On this matter the recommendation of your committee was in the affirmative with the suggestion that the librarian of the Law School of the University of Washington be designated as the representative of the Washington State Bar Association for the purpose of such cooperation.

Third: There was submitted to us a questionnaire from Charles A. Horsky, director of the Attorney General's Committee on Bankruptcy Administration. In this matter the Hon. Ben L. Moore, a member of this committee, proved most helpful in assembling a suitable answer to the questionnaire, which was in turn submitted to the Board of Governors of this Association.

This committee acts only by recommendation to the Board of Governors and has not been advised to the ultimate action of the board on the matters so referred to it, and on which it has made return.

CHARLES S. ALBERT

H. B. JONES

BEN L. MOORE

F. G. METZGER

GUY E. KELLY

C. D. RANDALL

A. J. O'CONNOR

G. H. BUCEY

STEPHEN F. CHADWICK, *Chairman*

Legislative

The Board of Governors reappointed for the coming year the Legislative Committee of 1939, and all of the members agreed to serve for the coming year. Since the legislature has not been in session during the past year, the efforts of the committee have been upon groundwork for the coming session of the legislature.

The committee was in conference with the Judicial Council and it is believed that a little clearer line of demarcation between the activities of it and your committee has been more clearly drawn, thereby avoiding overlapping of effort. The Judicial Council assures your committee of cooperation in all of its activities.

A conference was had with the Legislative Committee of the Superior Court Judges' Association and we feel certain that this committee will work in absolute harmony with your Legislative Committee.

The Legislative Committee itself will be unable to draft any proposed legislation and requests that each committee of the State Bar Association and each lawyer who has suggestions as to new legislation prepare their bills and submit them to this committee, rather than request us to do so.

This committee cannot properly function without the active assistance of the entire bar.

A meeting of the Legislative Committee has been called for the late afternoon or evening of August 6, during the convention at Olympia, and we invite any lawyers interested in the program of this committee for the next session of the legislature to meet with us and make any suggestions or proposals that they may favor.

J. C. CHENEY

S. A. GAGLIARDI

FRED S. DUGGAN

TIM HEALY

E. W. ROBERTSON

J. E. SAREAULT

J. P. DILLARD

BENJ. C. GROSSCUP

LEO A. MCGAVICK

CAMERON SHERWOOD

OWEN P. HUGHES

ANTHONY SAVAGE

JOHN N. SYLVESTER

J. W. GREENOUGH

J. SPEED SMITH

RICHARD B. OTT

JOSEPH H. SMITH

H. SYLVESTER GARVIN, *Chairman*

Discipline and Disbarment

A.—Action by Local Administrative Committees

1. No. of complaints heard.....	30
2. No. disposed of by committee.....	1
3. No. recommended to Board of Governors for dismissal.....	7
4. No. recommended to Board of Governors for censure.....	1
5. No. recommended for investigation.....	6
6. Complaints pending.....	15

B.—Action by Counsel

1. New complaints received.....	125
2. Investigated and recommended for dismissal.....	95
3. Recommended to Board of Governors for reprimand.....	4
4. Recommended to Board of Governors for trial.....	10
5. Resignations recommended for acceptance.....	0
6. Investigations pending.....	16
7. Complaints filed prior to June 30, 1939, and undisposed of at time of making last report.....	4
8. Recommended for dismissal.....	4

C.—Action by Trial Committee

1. Trials.....	6
2. Recommended for disbarment.....	3
3. Recommended for censure and probation.....	1
4. Recommended for one-year suspension.....	1
5. Dismissed.....	1

D.—Applications for Reinstatement

1. Approved by Board of Governors.....	2
2. Denied by Board of Governors.....	2

Audit

Washington State Bar Association
655 Dexter Horton Building
Seattle, Washington

Gentlemen:

We have audited your books for the year ended June 30, 1940, and have prepared the attached financial statements, namely:

EXHIBIT 1—Financial Statement of General Fund, July 1, 1939, to June 30, 1940.

EXHIBIT 2—Financial Statement of Special Account (Admission to the Bar), July 1, 1939, to June 30, 1940.

In addition to funds represented by foregoing statements, the association has \$381.23 on deposit as a special account of the Legislative Committee of the Washington State Bar Association.

We made a detailed audit of the cash receipts and disbursements and have no exceptions to report.

We verified the balances deposited at banks by detailed audit of cancelled checks, bank's statements and savings accounts passbooks.

The accounting work was in excellent condition.

Respectfully submitted,

E. J. MINER, *Certified Public Accountant*,
(Member, American Institute of Accountants.)

EXHIBIT 1.

WASHINGTON STATE BAR ASSOCIATION FINANCIAL STATEMENT OF GENERAL FUND

July 1, 1939 — June 30, 1940

BALANCE ON HAND, June 30, 1939.....	\$ 5,247.96
RECEIPTS	
Dues, 1933:	
Active Certificate No. 2355, 1 at \$5.00..	\$ 5.00
Dues, 1934:	
Active Certificate No. 2427, 1 at \$5.00..	5.00
Inactive Certificate No. 110, 1 at \$3.00..	3.00
Dues, 1935:	
Active Certificate No. 2450, 1 at \$5.00..	5.00
Inactive Certificate No. 110, 1 at \$3.00..	3.00
Dues, 1936:	
Active Certificates Nos. 2379-2380, 1 at \$5.00; 1 at \$8.00.....	13.00
Inactive Certificate No. 121, 1 at \$3.00..	3.00
Dues, 1937:	
Active Certificates Nos. 2413-2414, 1 at \$5.00; 1 at \$8.00.....	13.00
Inactive Certificate No. 113, 1 at \$3.00..	3.00
Dues, 1938:	
Active Certificates Nos. 2336-2340, 3 at \$5.00; 2 at \$8.00.....	31.00
Inactive Certificates Nos. 128-130, 3 at \$3.00	9.00
Forward	\$ 90.00

Carried Forward	\$ 90.00	
Dues, 1939:		
Active Certificates Nos. 2315-2373, 51 at \$5.00; 4 at \$8.00; 4 at \$3.00.....	299.00	
Inactive Certificates Nos. 156-160, 2 at \$2.00; 3 at \$3.00.....	13.00	
Dues, 1940:		
Active Certificates Nos. 1-2313, 2301 at \$6.00; 4 at \$4.00; 8 at \$9.00.....	13,894.00	
Inactive Certificates Nos. 1-200, 200 at \$2.00	400.00	
		<u>14,699.00</u> \$19,946.96
Interest on Savings Accounts.....		38.02
Refunds		8.00
Sundry Items		141.35
Returned from Special Account I.....		500.00
Advertising Income from State Bar Journal		<u>1,117.52</u>
		<u>\$21,751.85</u>

DISBURSEMENTS

Expenses—Meetings of Board of Govern- ors	\$ 1,088.21	
Committee Meetings and Expenses.....	139.41	
Unauthorized Practice	\$ 62.50	
Selection of Judges.....	44.81	
Federal Legislation	2.00	
Election Board	9.10	
Legal Education	21.00	
1939 Convention Expense.....	358.87	
1940 Convention Expense.....	32.20	
Discipline and Disbarment.....	3,479.14	
Salary of Counsel.....	\$ 2,700.00	
Expenses of Counsel.....	30.45	
Trials and Hearings.....	748.69	
Bank Charges	8.30	
Miscellaneous	92.58	
Office Rent	1,200.00	
Postage	496.79	
Printing	312.66	
Salaries	4,054.20	
State Bar Journal.....	1,849.95	
Supplies	225.09	
Telegrams	16.29	
Telephone	454.50	
Towel Supply	22.68	
TOTAL EXPENSE	<u>\$13,830.87</u>	
ADD:		
Refunds (Includes N. S. F. Check).....	12.00	
TOTAL DISBURSEMENTS		<u>\$13,842.87</u>
BALANCE AT BANKS, JUNE 30, 1940.....		<u>\$ 7,908.98</u>

EXHIBIT 2.
WASHINGTON STATE BAR ASSOCIATION
SPECIAL ACCOUNT NO. 1
"ADMISSION TO THE BAR"

BALANCE ON HAND, JUNE 30, 1939.....	\$1,880.31
RECEIPTS	
Examination Fees, July, 1939—3 at \$25.00.....	\$ 75.00
Examination Fees, January, 1940—21 at \$25.00, 2 at \$50.00, 2 at \$75.00.....	775.00
Examination Fees, September, 1940—1 at \$25.00.....	25.00
Motion Fees, July 1, 1939—July 1, 1940—8 at \$75.00.....	600.00
Bar Association Dues held pending admission.....	5.00
TOTAL.....	\$3,360.31
DISBURSEMENTS	
Refund of Fees.....	\$ 100.00
Bar Examiners	1,500.00
Expense of Bar Examiners.....	304.76
Printing	413.05
National Conference of Bar Examiners.....	200.00
Proctors for Bar Examinations.....	90.00
Miscellaneous	8.05
Repayment of loan from General Account.....	500.00
TOTAL EXPENSES.....	3,115.86
BALANCE IN BANK, JUNE 30, 1940	\$ 244.45

Legal Aid

The following summary of the first year of operation of the Legal Aid Bureau of the Seattle Bar Association, although not a report of a standing committee of the State Bar Association, is published at this time because of the widespread interest among members of the state bar in the success and technique of the Bureau's activities.

Fourteen hundred applications for free legal assistance were received by the Legal Aid Bureau of the Seattle Bar Association during the year ending April 30, 1940. Now well into its second year of operation, this voluntary organization, directed and supervised by Seattle attorneys with the aid of senior students from the University of Washington Law School is continuing to receive an average of four new applications each day.

Paid pledges of \$3370.00 from forty-three law firms, individuals and judges financed the \$275.00 per month operating budget of the Bureau during its first year. Solicitation of funds for the operation of the Bureau throughout its second year is now under way. Operating expense includes office rent, telephone, stationery and salaries for the director and stenographer-receptionist.

The committee of the Seattle Bar Association under which the Bureau was set up and placed in actual operation consisted of Frank P. Helsell, chairman; George H. Boldt, Fort Q. Elvidge, Dean Judson F. Falknor, Edward E. Henry, Colonel Arthur O'Brien and Lane Summers. Colonel O'Brien volunteered his services as director of the Bureau from its inception until his resignation in October, 1939, when he was succeeded by George R. West, formerly assistant director.

The active affairs of the Bureau are conducted under the director (a member of the bar) with the daily assistance of two members of the

senior class of the University Law School. Volunteer members of the bar, in rotation, have sat with and supervised the work of the students. After preliminary examination by the director or receptionist as to the financial status of the applicant, students make detailed factual investigations and legal conclusions, reporting to the director, who renders the official opinion to the applicant. Where necessary, pleadings, documents or instruments are prepared by the students, subject to scrutiny and revision by the director. Commencing in the fall of 1939, attendance at the Bureau was made part of the Law School curriculum for senior students. Thus the existence of the Legal Aid Bureau has supplied valuable clinical experience in practical practice to the senior law students while, at the same time, the assistance of the students has served considerably to lighten the Bureau's burden in rendering legal aid in the large Seattle metropolitan area.

The financial status of applicants referred to the Bureau by any social agency is certified by such agency, which also cooperates in investigations, particularly in cases involving domestic relations. Various social agencies have also cooperated in furnishing financial and other information concerning applicants not specifically referred to the Bureau by such agencies. So that services of the Bureau may not be diverted from the truly indigent, scrupulous efforts are made to avoid assistance to any person financially able to engage the services of practicing lawyers, and the Bureau has adopted the policy of refusing aid to applicants able to pay for legal services, even though such applicants might not be able to meet the minimum standard of fees provided by the Bar Association. These applicants, in all instances, have been advised to secure private practitioners. The committee does not recommend particular members of the bar to applicants.

Applicants have been referred to the Bureau by the prosecuting attorney, the sheriff, the corporation counsel, the police department, the county law library, the welfare department, the Bar Association, the County-City Building information desk, certain churches, several newspapers and various societies. Over sixty clients were sent to the Bureau by attorneys in private practice. In addition to advising individual applicants concerning their difficulties, the Bureau frequently has been requested by various private and public welfare and charitable institutions for legal aid in solving their own problems.

The rendition of this public service by the Seattle Bar Association has made unnecessary any findings by the county commissioners of King County of the need for organized legal aid at county expense under the provisions of House Bill No. 30, Chap. 93, Session Laws, 1939; Rem. Rev. Stat. Sec. 10007, Sub-secs. 201-215 incl. This bill, introduced by Edward E. Henry of the Seattle bar, a member of the state legislature, was drafted in its final form by Lane Summers of the Seattle Bar Association in collaboration with the Legal Aid Committee and received the approval of the Board of Trustees of Seattle Bar Association and of the Legislative Committee of the Washington State Bar Association. It authorizes the county commissioners in Pierce, King and Spokane Counties to find by resolution the need for organized legal aid in such county or counties and to specify the amount of county funds to be allocated for the operation of a legal aid bureau. Upon sixty days' notice of such action, the Board of Governors of the State

Bar Association is obligated to create and continue a legal aid bureau so long as funds are made available by the county. Supervision of such a statutory bureau is vested in the Board of Governors or in a committee of designated membership. The Act excludes from assistance applicants whose problems are matters commonly handled on contingent fee bases and the court defense of criminal charges; it forbids charging or receiving of attorneys' fees from legal aid clients and reserves the right in the Bar Association to promote or render legal aid independent of county financial support.

Two hundred fifty applicants during the first year were refused aid because they were able to employ counsel, had contingent fee claims or disclosed other reasons indicating that they were not entitled to professional charity. Six hundred applications were, on the first interview, either solved by the Bureau, passed on to other organizations or public authorities for appropriate action or referred to private attorneys of the applicants' own choice. Of the matters continued over for investigation and further interviews, some were finally rejected and others were finally accepted on the merits. Eighteen cases developed into litigation, of which three were discontinued, two were lost and thirteen were won. In ten *ex parte* proceedings, desired results were obtained.

Each applicant is charged a registration fee of fifty cents but aid is not refused because of the inability of the applicant to pay this small amount. The aggregate sum of \$449.00 derived from this source has been set up as a trust account from which court costs and expenses incidental to the conduct of claims or litigation have been drawn. Much of this special fund remains in reserve for this purpose.

More than forty attorneys have visited the offices of the Bureau to observe its quarters, equipment and methods and meet its personnel. Only one formal complaint by a member of the Bar against the conduct of the Bureau has been reported to the committee.

The cost of equipping the offices was kept to a minimum since the committee was fortunate in procuring donations of furniture and various items of equipment. The library of the Supreme Court at Olympia and the University of Washington Law Library have loaned to the Bureau the Washington Code and Digest, which it is hoped will provide a nucleus for a substantial donated or loaned working library in the future. Mr. George R. West, present director of the Legal Aid Bureau, will welcome any inquiries about the operation of the Bureau and its activities. The Bureau office is at 239 Central Building, Seattle, Washington. Visitors are welcome.

The Bureau has been guided by the following principles:

(1) Poverty should not frustrate justice, hence free legal aid should be granted to all unable to pay attorneys' fees, and should be denied to all able to pay;

(2) Poverty does not entitle anyone to press an unjust claim or to urge an unjust defense;

(3) Understanding between lawyers and laymen should be promoted, hence the Bureau should serve as a public relations outpost—on the one side, to protect the Bar against unfair criticism, and to interpret and apply legal ethics; on the other side, to enliven the profession in its group responsibilities as to social problems and to coordinate some of its energies toward their solution.