



CIVIL JUSTICE
ASSOCIATION OF CALIFORNIA

21-0030 Amdt. #1

November 10, 2021

Anabel Renteria
Initiative Coordinator
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State of California
PO Box 994255
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**INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE**

Re: Initiative 21-0030, The Consumer Legal Fee Protection Act (Version 1) –
Amendment Number One


Dear Initiative Coordinator:

Pursuant to subdivision (b) of Section 9002 of the Elections Code, enclosed please find Amendment #1 to Initiative No. 21-0030 "The Consumer Legal Fee Protection Act (Version 1)." The amendments are reasonably germane to the theme, purpose or subject of the initiative measure as originally proposed.

I am the proponent of the measure and request that the Attorney General prepare a circulating title and summary of the measure as provided by law, using the amended language.

Thank you for your time and attention processing my request.

Sincerely,



Kyla Christoffersen Powell

CONSUMER LEGAL FEE PROTECTION ACT (VERSION 1)

SECTION 1. FINDINGS AND DECLARATION OF PURPOSES

- A. Californians place high value on access to justice in our civil courts, and accessing justice includes obtaining high-quality legal representation.
- B. Many lawyers who represent injured consumers, however, take 40% or more of the money their clients recover in court – money intended to compensate victims for their injuries.
- C. Lawyers do this through contingency fee agreements, in which the injured consumer agrees to give the lawyer a percentage of the money recovered for their injuries.
- D. Contingency fee pricing is not competitive. Most consumers have unequal bargaining power with lawyers, and consumers entering into these agreements may be vulnerable and still suffering from their injuries.
- E. The ability to charge excessive contingency fees incentivizes some lawyers to take advantage of their injured clients, over-litigate, and delay resolution instead of working to win recovery for their clients’ injuries as quickly and fairly as possible.
- F. Injured clients giving up 40% or more of their recovery or, in some cases, getting paid less than their lawyers, is not true access to justice.
- G. California’s legal system should put the interests of injured consumers ahead of the interests of trial lawyers.
- H. Since 1946, the federal government has limited the amount attorneys can receive for settling cases against it to 20% of the amount recovered for their clients.
- I. Adopting this ample percentage in California preserves the ability of consumers to find ethical, high-quality lawyers to represent them while protecting injured consumers from excessive fees.
- J. Therefore, the people of California hereby enact “The Consumer Legal Fee Protection Act” to limit lawyer contingency fees to no more than 20% of the amount their clients recover.

SECTION 2. LIMITATION ON LAWYER CONTINGENT FEES

Section 6147.1 is added to the Business and Professions Code to read:

6147.1.(a) Notwithstanding Section 6147, an attorney shall not contract for or collect a contingency fee in excess of twenty percent (20%) of the amount recovered for the claimant.

(b) For purposes of this section:

(1) “Amount recovered” means the total sum of any monetary remedy or monetary penalty paid to a claimant, exclusive of the costs incurred and paid on the claimant’s behalf, whether paid through settlement, arbitration or judgment.

(2) “Claimant” means a person or persons who have (a) a tort claim, or (b) a statutory claim, where the claimant seeks to obtain a monetary remedy, monetary penalty, or both, against another person or persons.

(3) “Contingency fee” means any monetary compensation, however calculated, that is payable to an attorney only if there is an amount recovered for a claimant, whether by agreement between the claimant and the claimant’s attorney, or awarded by a court pursuant to any statute.

(4) “Monetary remedy” means the sum paid to a claimant to compensate the claimant for injury or damage, or restitution, whether by statute or common law.

(5) “Monetary penalty” means the sum paid to the claimant to punish the person from whom the penalty is imposed, whether by statute or common law.

(6) “Statutory claim” means a claim under Chapter 5 (commencing with Section 17200) of Part 2 of Division 7 of the Business and Professions Code, Chapter 1 (commencing with Section 17500) of Part 3 of Division 7 of the Business and Professions Code, Title 1.5 (commencing with Section 1750) of Part 4 of Division 3 of the Civil Code, or Chapter 1 (commencing with Section 1790) of Title 1.7 of Part 4 of Division 3 of the Civil Code.

(c) If the amount recovered is paid pursuant to a statutory claim that also provides for, or otherwise allows, a court to award attorneys’ fees to a claimant’s attorney, the claimant shall either choose to pay fees pursuant to the contingency fee contract from the amount recovered, or authorize the claimant’s attorney to seek a contingency fee award from the court, but not both. In no event may the total amount paid to the claimant’s attorney, pursuant to the agreement or court awarded fee, exceed the limit imposed by this section. Upon filing a request for attorneys’ fees with the court, the claimant’s attorney shall certify that the claimant’s attorney has not and will not collect contingency fees from the claimant from any portion of the amount recovered.

(d) This section shall not apply to any claim that is subject to a limit on attorney contingency fees that existed on January 1, 2021.

(e) If any provision of this act or application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications or the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

(f) This act is intended to be comprehensive. It is the intent of the people that in the event this act or acts relating to the same subject shall appear on the same statewide election ballot, the provisions of the other act or acts shall be deemed to be in conflict with this act. In the event that this act receives a greater number of affirmative votes, the provisions of this act shall prevail in their entirety, and all provisions of the other act or acts shall be null and void.