

Professional Fiduciaries Bureau Advisory Committee Meeting

December 11, 2024

DEPARTMENT OF CONSUMER AFFAIRS



PROFESSIONAL FIDUCIARIES BUREAU

Advisory Committee Members

Bertha Sanchez Hayden, Chair
Elizabeth Ichikawa, Vice Chair
James Moore
Joyce Anthony
Linda Ng
Alfred Torregano



**Professional Fiduciaries Bureau
Advisory Committee Meeting**

NOTICE OF IN PERSON AND TELECONFERENCE MEETING

Meeting Date and Time

Wednesday, December 11, 2024, at 10 a.m.

Meeting Location

This meeting will be held by teleconference via Webex Events, Webcast,
and in person at the following location:

Department of Consumer Affairs
1625 North Market Blvd, 1st Floor Hearing Room, Suite S-102
Sacramento, CA 95834

Advisory Committee Members

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

** Members of the public are not obligated to provide their name or personal information and may provide a unique identifier such as their initials or another alternative, and a fictitious email address like in the following sample format: XXXXXX@mailinator.com.*

To access the Webex event, attendees will need to click the following link and enter their first name, last name, email, and the event password listed below:

<https://dca-meetings.webex.com/dca-meetings/j.php?MTID=me815a2d7017b7929ba0842952043104c>

If joining using the link above

Webinar number: 2497 706 6346

Webinar password: PFB1211

If joining by phone

+1-415-655-0001 US Toll

Access code: 2497 706 6346

Passcode: 7321211

Instructions to connect to the meeting can be found at the end of this agenda.

Due to potential technical difficulties, please consider submitting written comments by December 9, 2024, to fiduciary@dca.ca.gov.

AGENDA

Action may be taken on any item on the agenda

- 1) Call to Order – Bertha Sanchez Hayden, Chair
- 2) Roll Call and Establishment of Quorum – Angela Cuadra, Program Analyst
- 3) Advisory Committee Members, Bureau Program Manager, Staff and Legal Counsel Introductions
- 4) Public Comment on Items Not on the Agenda
Please note: The Committee may not discuss or take action on this agenda item except to decide whether to place the matter on the agenda of a future meeting. [Government Code Sections 11125 and 11125.7(a)]
- 5) Reading of the Professional Fiduciaries Bureau Mission Statement – Terri McClain, Program Manager
- 6) Discussion and Approval of the Advisory Committee Meeting Minutes from September 11, 2024 – Bertha Sanchez Hayden, Chair
- 7) Update from the Director’s Office – DCA Executive Staff
- 8) Budget Report – DCA Budget Analyst
 - Budget Overview and Update
- 9) Legislative Office – DCA Legislative Analyst
- 10) Bureau Updates – Terri McClain, Program Manager
 - Application, Licensing and Enforcement Statistics
 - Bureau Efforts to Increase Licensing Numbers
 - Outreach Events
 - E-Newsletter
 - Strategic Plan Update
- 11) Enforcement Process Presentation – Helen Geoffroy, Sue Lo and Cathie Scott
- 12) Future Agenda Items – Angela Cuadra, Program Analyst
- 13) Future Meeting Dates

- Wednesday, March 12, 2025
- Wednesday, June 11, 2025
- Wednesday, September 10, 2025
- Wednesday, December 10, 2025

14) Adjournment

This agenda can be found on the Professional Fiduciaries Bureau's website at www.fiduciary.ca.gov. Action may be taken on any item on the agenda. The time and order of agenda items are subject to change at the discretion of the Bureau and may be taken out of order. In accordance with the Bagley-Keene Open Meeting Act, all meetings of the Bureau are open to the public.

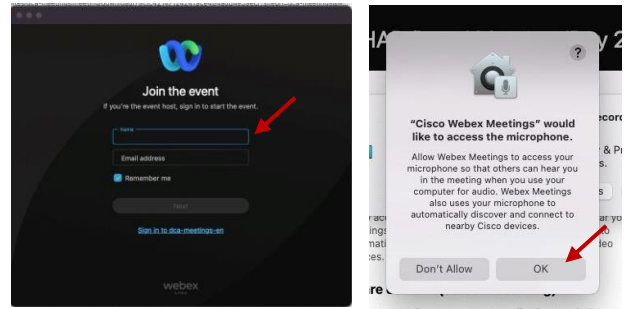
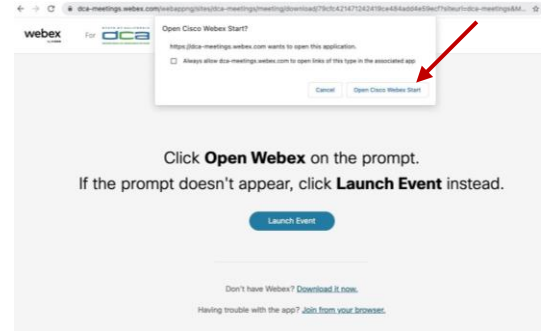
Government Code section 11125.7 provides the opportunity for the public to address each agenda item during discussion or consideration by the Committee prior to the Committee taking any action on said item. Members of the public will be provided appropriate opportunities to comment on any issue before the Committee, but the Committee Chair may at his or her discretion, apportion two minutes per speaker for those who wish to speak. Individuals may appear before the Committee to discuss items not on the agenda; however, the Committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).

This meeting is being held via WebEx events. The meeting is accessible to the physically disabled. A person who needs disability-related accommodations or modifications to participate in the meeting may make a request by contacting the Bureau at (916) 574-7498, email: fiduciary@dca.ca.gov, or send a written request to the Professional Fiduciaries Bureau, 1625 N. Market St., Suite S-209, Sacramento, CA 95834. Providing your request at least five (5) business days prior to the meeting will help ensure availability of the requested accommodations. TDD Line: (916) 326-2297.

*The Bureau plans to webcast this meeting on its website at www.fiduciary.ca.gov. Webcast availability cannot, however, be guaranteed due to limitations on resources or technical considerations. If you wish to participate or to have a guaranteed opportunity to follow the meeting, you may do so by following the instruction listed above.

If joining using the meeting link

- 1 Click on the meeting link. This can be found in the meeting notice you received.
- 2 If you have not previously used Webex on your device, your web browser may ask if you want to open Webex. Click "Open Cisco Webex Start" or "Open Webex", whichever option is presented. DO NOT click "Join from your browser", as you will not be able to participate during the meeting.
- 3 Enter your name and email address*. Click "Join as a guest". Accept any request for permission to use your microphone and/or camera.

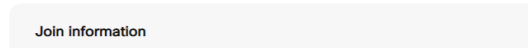
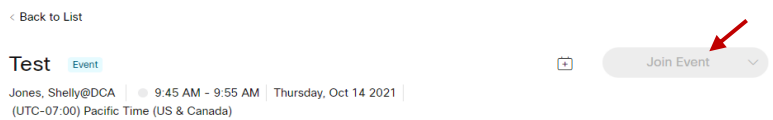
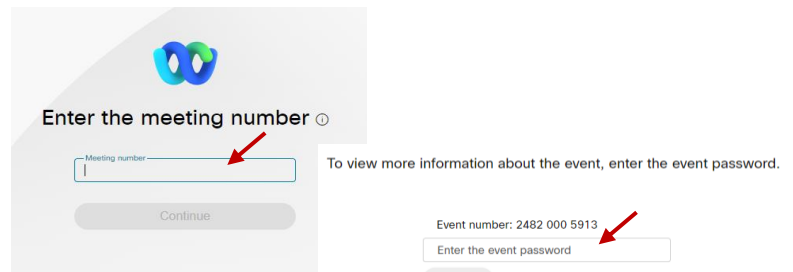
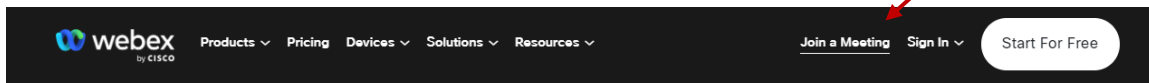


* Members of the public are not obligated to provide their name or personal information and may provide a unique identifier such as their initials or another alternative, and a fictitious email address like in the following sample format: XXXXX@mailinator.com.

OR

If joining from Webex.com

- 1 Click on "Join a Meeting" at the top of the Webex window.
- 2 Enter the meeting/event number and click "Continue". Enter the event password and click "OK". This can be found in the meeting notice you received.
- 3 The meeting information will be displayed. Click "Join Event".



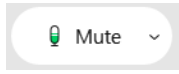
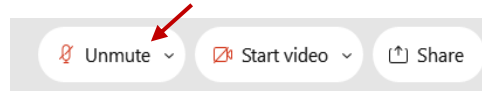
OR

Connect via telephone*:

You may also join the meeting by calling in using the phone number, access code, and passcode provided in the meeting notice.

Microphone

Microphone control (mute/unmute button) is located on the command row.



Green microphone = Unmuted: People in the meeting can hear you.



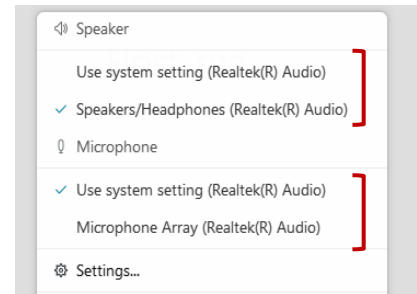
Red microphone = Muted: No one in the meeting can hear you.

Note: Only panelists can mute/unmute their own microphones. Attendees will remain muted unless the moderator enables their microphone at which time the attendee will be provided the ability to unmute their microphone by clicking on "Unmute Me".



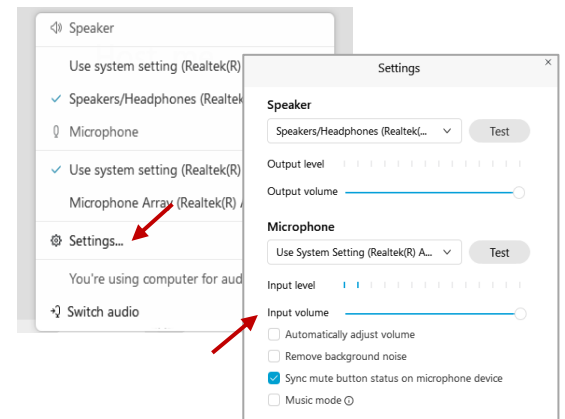
If you cannot hear or be heard

- 1 Click on the bottom facing arrow located on the Mute/Unmute button.
- 2 From the pop-up window, select a different:
 - Microphone option if participants can't hear you.
 - Speaker option if you can't hear participants.



If your microphone volume is too low or too high

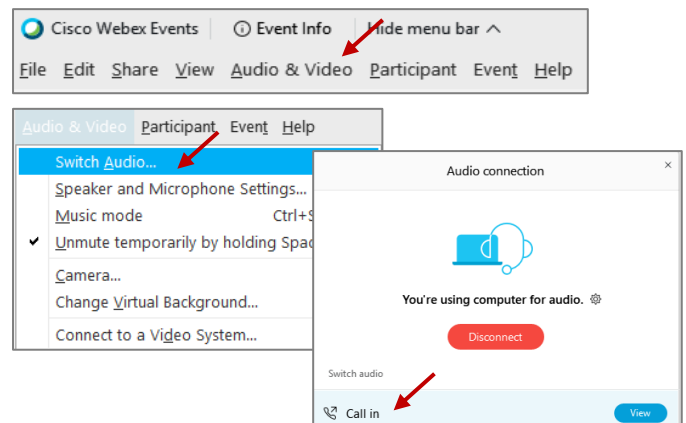
- 1 Locate the command row – click on the bottom facing arrow located on the Mute/Unmute button.
- 2 From the pop-up window:
 - Click on "Settings...":
 - Drag the "Input Volume" located under microphone settings to adjust your volume.



Audio Connectivity Issues

If you are connected by computer or tablet and you have audio issues or no microphone/speakers, you can link your phone through Webex. Your phone will then become your audio source during the meeting.

- 1 Click on "Audio & Video" from the menu bar.
- 2 Select "Switch Audio" from the drop-down menu.
- 3 Select the "Call In" option and following the directions.



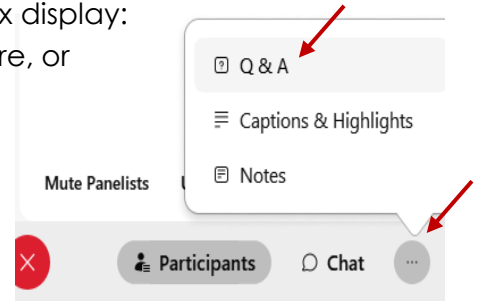
The question-and-answer (Q&A) and hand raise features are utilized for public comments.

NOTE: This feature is not accessible to those joining the meeting via telephone.

Q&A Feature

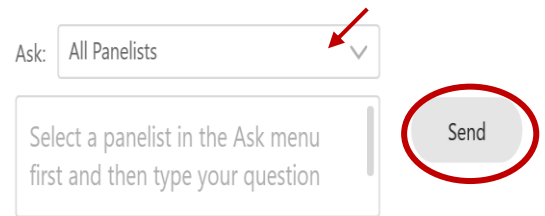
1 Access the Q&A panel at the bottom right of the Webex display:

- Click on the icon that looks like a “?” inside of a square, or
- Click on the 3 dots and select “Q&A”.



2 In the text box:

- Select “All Panelists” in the dropdown menu,
- Type your question/comment into the text box, and
- Click “Send”.



OR

Hand Raise Feature

- 1
- Hovering over your own name.
 - Clicking the hand icon that appears next to your name.
 - Repeat this process to lower your hand.

If connected via telephone:

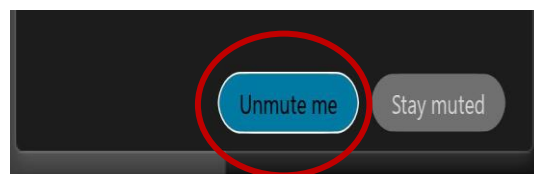
- Utilize the raise hand feature by pressing *3 to raise your hand.
- Repeat this process to lower your hand.

Unmuting Your Microphone



The moderator will call you by name and indicate a request has been sent to unmute your microphone. Upon hearing this prompt:

- Click the **Unmute me** button on the pop-up box that appears.

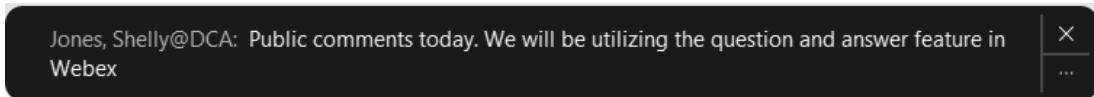


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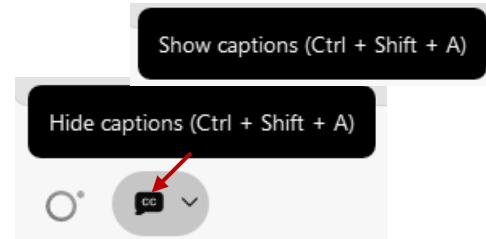
If connected via telephone:

- Press *3 to unmute your microphone.

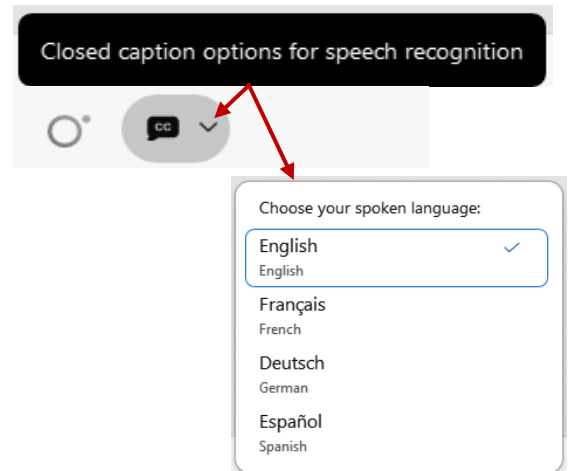
Webex provides real-time closed captioning displayed in a dialog box on your screen. The captioning box can be moved by clicking on the box and dragging it to another location on your screen.



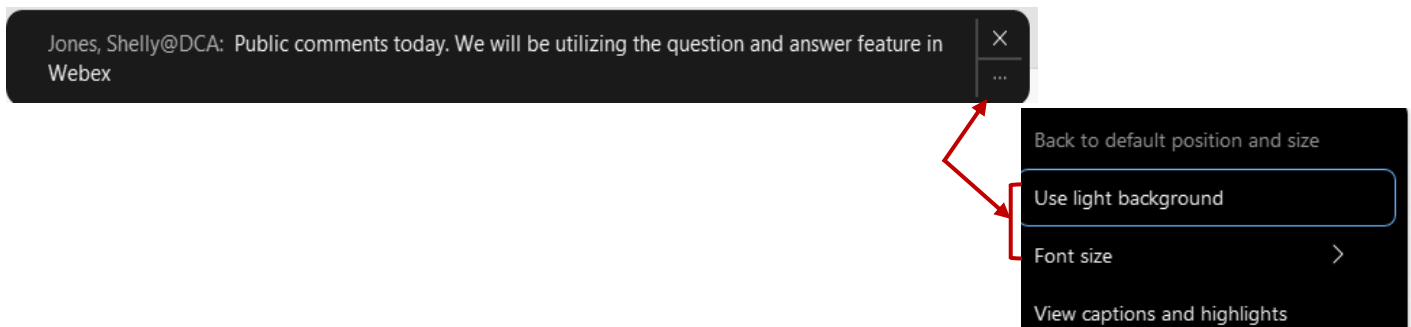
The closed captioning can be hidden from view by clicking on the closed captioning icon. You can repeat this action to unhide the dialog box.



You can select the language to be displayed by clicking the drop-down arrow next to the closed captioning icon.



You can view the closed captioning dialog box with a light or dark background or change the font size by clicking the 3 dots on the right side of the dialog box.





MISSION OF THE PROFESSIONAL FIDUCIARIES BUREAU

Mission

To protect consumers through licensing, consumer education, and enforcement of the Professional Fiduciaries Act and promote and uphold competency and ethical standards across the profession.



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

Committee Members Present

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

Staff Present

Terri McClain, Program Manager, Professional Fiduciaries Bureau
Helen Geoffroy, Legal Counsel, Department of Consumer Affairs
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. Committee members Chair Sanchez Hayden, Ms. Ichikawa, Ms. Anthony, Mr. Moore, Ms. Ng, and Mr. Torregano were present. A quorum was established with six members present.
3. Advisory Committee Members, Bureau Program Manager, Staff and Legal Counsel Introductions –

Committee members, Bureau staff, and legal counsel introduced themselves. Chair Sanchez Hayden noted that former Bureau Chief, Rebecca May's last day with the Bureau was July 12, 2024. Chair Sanchez Hayden also introduced and welcomed Terri McClain who is the Bureau's new Program Manager as of August 5, 2024.

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:

DCA Chief Deputy Director, Christine Lally, joined in with the committee's appreciation of Ms. McClain joining the Bureau in August and stated she did not miss a beat, she is doing a wonderful job and assured the members and stakeholders that they are in good hands. Ms. McClain thanked Ms. Lally for her kind words.

Jodee Sussman commented the Bureau's mission is to protect consumers, but the Bureau is not protecting consumers. She stated there is a group of fiduciaries in Southern California and they are not doing what is in the best interest of the client, they are taking out loans and forcing sale of property. This is being done with corrupt attorneys who issue gag orders. She also stated her complaints to the Bureau have been ignored by the Bureau for a couple of years.

Farnaz Rahimi seconded Ms. Sussman's comment and stated she is one of the victims Ms. Sussman spoke about. She also stated her complaint has been ignored by the Bureau.

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

Ms. McClain read the Bureau's mission statement.

Public Comment:

Jodee Susman commented the Bureau does not hold its licensees accountable.

6. Discussion and Approval of the Advisory Committee Meeting Minutes from June 12, 2024 – Bertha Sanchez Hayden, Chair

Ms. Ng suggested the Bureau remove "a" from the second to last line on page four and change the title of agenda item number ten to read "equity" on page five. Ms. Anthony motioned to approve the meeting minutes with the suggested changes by Ms. Ng 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.

Public Comment: None.

A roll call vote was held. Chair Sanchez Hayden, Ms. Ichikawa, Ms. Anthony, Mr. Moore, Ms. Ng, and Mr. Torregano voted to approve the motion. The motion carried with six 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

Melissa Gear, Deputy Director of Board and Bureau Relations, provided an update on behalf of the Department of Consumer Affairs (DCA). Ms. Gear welcomed Ms. McClain.

She updated the Committee on Budget Letter (BL) 24-20, vacancy savings and position eliminations. Work continues to address the state's budget deficit. At the end of July, the Department of Finance issued BL 24-20 to reduce the state's workforce by 10,000 vacancies for a total of \$1.5 billion.

On August 16, 2024, the Department of Finance issued BL 24-24 which outlines the reduction of state department budgets by 7.95% for a total of \$2.1 billion. DCA has identified exempt costs that cannot be reduced. The final reduction plan will be submitted later this month.

On August 20, 2024, Jason Piccone, DCA Deputy Director of Office of Information Services, was honored for developing DCAs Federal Professional Licensing Portability and State Registration Portal. He received the best of California Award at the 2024 California Government Innovation Summit.

The last Board Member Orientation Training (BMOT) for 2024 will be offered on October 22.

Member Comment:

Mr. Torregano asked about the online portal which was implemented. Ms. Gear responded the portal is to assist military members and their spouses with the licensing process.

Public Comment: None.

8. Budget Report – DCA Budget Analyst

Brendan Vue, Budget Analyst, Department of Consumer Affairs, provided the Bureau's budget update including the Bureau's expenditure projections and fund condition

statement. Related to expenditures, Mr. Vue noted the projections on the expenditure's handout are based on pre-actual data for 2023-2024 and includes 2022-2023 actual expenditures, and 2023-2024 budgeted and pre-actual expenditures. Mr. Vue stated the Bureau had a beginning base budget of a little over \$1.1 million and is projected to spend \$751,000 creating a reversion to the Bureau's fund of approximately \$369,000 or 33.04%.

Mr. Vue reviewed the Bureau's revenue projections handout. He noted this handout includes receipts collected through June and the projected revenue through year-end and explained he would go further into the projections as he presented the fund condition document.

Mr. Vue explained the fund condition document is read top to bottom, then left to right. The Bureau began 2023-2024 with \$254,000, collected \$841,000 in revenue, and expended \$797,000. The Bureau closed 2023-2024 with \$298,000 or 3 months in reserve. For current year, 2024-2025 the Bureau projects just over \$1.1 million in revenue and \$1.192 million in expenditures based on the Governor's Budget which will leave the Bureau with \$276,000 or 2.7 months in reserve.

Public comment: None.

9. Legislative Update and Discussion – DCA Legislative Analyst

Julianne Allen, Legislative Analyst, Department of Consumer Affairs provided important upcoming 2024 legislative dates and an update regarding bills affecting the Bureau. Ms. Allen noted, AB 2148 (Low) bill failed passage out of the Senate Committee on Appropriation's Suspense file and will not be moving forward.

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, 2023, through June 30, 2024. Ms. McClain noted that in response to Ms. Anthony's question at the meeting in June, the Bureau looked at the third quarter renewal numbers in past years and determined the third quarter for each year is historically lower than the other quarters which may be based on the expiration date being based on birth month. Beginning January 1, 2024, new licenses will expire 12 months from issuance and will no

longer be based on the licensee's birth month. Additionally, the Bureau has received 38 more applications than last fiscal year. Ms. McClain stated the Bureau will continue to monitor the statistics for new applications and renewal numbers going forward to determine if the fee increases are a factor in less licensees applying and renewing.

- Outreach Events – Ms. McClain thanked Chair Sanchez Hayden for bringing to the Bureau's attention an outreach event that Ms. McClain will be attending on October 8, 2024. The event is California for all Ages and Disabilities Day of Action.
- E-Newsletter – Ms. McClain noted that the summer 2024 e-newsletter has been disseminated to the Bureau's interested parties list and is available on the Bureau's website and. She also stated if there are any items members of the committee, or the public would like to see in the newsletter to please reach out to the Bureau. Ms. McClain encouraged the members and the public to sign up for the interested parties list and to follow the Bureau on its social media platforms.
- Hiring enforcement staff – Ms. McClain noted that the Bureau is happy to announce the Bureau hired an enforcement analyst who began working for the Bureau in July 2024. The Bureau is excited to have a new team member who will assist the Bureau in protecting vulnerable consumers who receive professional fiduciary services.
- Strategic Plan Update – Ms. McClain stated that the Bureau is in process of moving to a paperless system which includes establishing a retention policy, purging obsolete files, and scanning files to retain electronically. Bureau staff is in process of completing desk manuals for enforcement and licensing manuals. In the future the Bureau will be cross training all staff in enforcement and licensing duties. In regard to the Diversity Equity and inclusion (DEI), the Bureau is updating the strategic plan to include DEI objectives in its plan. In July and August of 2024, the Solid team conducted a survey, and the Bureau staff will be meeting to update the Strategic Plan.

Ms. Anthony thanked Ms. McClain for researching the third quarter renewal numbers and noted that the fourth quarter also appear to be lower on this report. She noted she appreciates the Bureau continuing to look at this. Ms. Anthony also asked if the three cases initiated with the AG were on for this year and Ms. McClain stated this was for the fiscal year 2023-2024.

Mr. Torregano asked about the process during the 150-day processing time of a complaint. He also asked, how many citations would be issued before a license is

revoked. Ms. McClain stated the process in general is that the complaint is received and determines how to proceed. If an investigation is warranted, the analyst will investigate based on the Bureau's authority. Ultimately, if the allegations of a complaint are substantiated, the Bureau may move to citation or other discipline based on the severity of the violation. All licensees have the option of an informal conference with the Bureau when a citation is issued or to request a formal hearing with the Attorney General's office. The Bureau is hoping to see the numbers improve with the hiring of the new analyst. Ms. McClain also stated revocation is based on the egregiousness of the violation.

Ms. Ng stated the average number of new licenses issued per year is under 100. Ms. Ng asked if the Bureau's goal was to increase licensee numbers and how will outreach be conducted. Ms. McClain responded one of the goals is to reach out with the Advisory Committee Members to determine ways the Bureau can reach out to the public. Also, the Bureau will start reaching out with reminder notifications to licensees which will minimize the number of citations issued for licensing issues.

Public comment: Farnaz Rahini commented that her complaint has been with the Bureau for longer than 150 days.

Ms. Sussman commented that her complaint was submitted in 2021 and is still pending and that the statistics are misleading.

Michael Kanotz, Legal Counsel for DCA, interjected to state this is off topic and does not relate to the statistics.

11. Future Agenda Items – Angela Cuadra, Program Analyst

Ms. Cuadra noted there was one request from Ms. Ng to include an item on how the Bureau plan specifically to increase its licensing numbers.

Public comment: None.

- Future Meeting Dates

Chair Sanchez Hayden provided the following confirmed meeting dates and tentative 2025 meeting dates: Wednesday, December 11, 2024; Wednesday, March 12, 2025; Wednesday, June 11, 2025; Wednesday, September 10, 2025; and, Wednesday, December 10, 2025.

Public comment: None.

12. Adjournment

Chair Sanchez Hayden adjourned the meeting at 11:13 a.m.

Department of Consumer Affairs

Expenditure Projection Report

Professional Fiduciaries Bureau

Reporting Structure(s): 11117000 Support

Fiscal Month: 3

Fiscal Year: 2024 - 2025

Run Date: 10/21/2024

PERSONAL SERVICES

| Fiscal Code | Line Item | PY Budget | PY FM13 | Budget | Current Month | YTD | Encumbrance | YTD + Encumbrance | Projections to Year End | Balance |
|--------------------------|--------------------------------|------------------|------------------|------------------|-----------------|------------------|-------------|-------------------|-------------------------|------------------|
| 5100 | PERMANENT POSITIONS | \$351,000 | \$285,260 | \$351,000 | \$21,692 | \$71,535 | \$0 | \$71,535 | \$267,218 | \$83,782 |
| 5100 | TEMPORARY POSITIONS | \$22,000 | \$0 | \$22,000 | \$7,123 | \$7,123 | \$0 | \$7,123 | \$46,982 | -\$24,982 |
| 5105-5108 | PER DIEM, OVERTIME, & LUMP SUM | \$0 | \$1,300 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,400 | -\$2,400 |
| 5150 | STAFF BENEFITS | \$237,000 | \$178,039 | \$240,000 | \$16,317 | \$45,428 | \$0 | \$45,428 | \$181,463 | \$58,537 |
| PERSONAL SERVICES | | \$610,000 | \$464,599 | \$613,000 | \$45,132 | \$124,086 | \$0 | \$124,086 | \$498,063 | \$114,937 |

OPERATING EXPENSES & EQUIPMENT

| Fiscal Code | Line Item | PY Budget | PY FM13 | Budget | Current Month | YTD | Encumbrance | YTD + Encumbrance | Projections to Year End | Balance |
|---|----------------------------|------------------|------------------|------------------|-----------------|------------------|-----------------|-------------------|-------------------------|------------------|
| 5301 | GENERAL EXPENSE | \$10,000 | \$20 | \$10,000 | \$0 | \$0 | \$0 | \$0 | \$22 | \$9,978 |
| 5302 | PRINTING | \$4,000 | \$3,413 | \$4,000 | \$32 | \$32 | \$19 | \$51 | \$3,151 | \$849 |
| 5304 | COMMUNICATIONS | \$4,000 | \$138 | \$4,000 | \$0 | \$0 | \$0 | \$0 | \$140 | \$3,860 |
| 5306 | POSTAGE | \$4,000 | \$970 | \$4,000 | \$0 | \$0 | \$0 | \$0 | \$1,000 | \$3,000 |
| 5308 | INSURANCE | \$0 | \$8 | \$0 | \$0 | \$0 | \$0 | \$0 | \$8 | -\$8 |
| 53202-204 | IN STATE TRAVEL | \$9,000 | \$519 | \$9,000 | \$0 | \$0 | \$0 | \$0 | \$500 | \$8,500 |
| 5322 | TRAINING | \$3,000 | \$0 | \$3,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,000 |
| 5324 | FACILITIES | \$51,000 | \$45,127 | \$51,000 | \$3,640 | \$10,708 | \$32,756 | \$43,464 | \$46,185 | \$4,815 |
| 53402-53403 | C/P SERVICES (INTERNAL) | \$199,000 | \$72,627 | \$199,000 | \$5,915 | \$5,915 | \$0 | \$5,915 | \$74,370 | \$124,630 |
| 5340310000 | Legal - Attorney General | \$196,000 | \$62,841 | \$196,000 | \$5,915 | \$5,915 | \$0 | \$5,915 | \$64,500 | \$131,500 |
| 5340320000 | Office of Adminis Hearings | \$0 | \$9,419 | \$0 | \$0 | \$0 | \$0 | \$0 | \$9,500 | -\$9,500 |
| 53404-53405 | C/P SERVICES (EXTERNAL) | \$35,000 | \$1,990 | \$35,000 | \$0 | \$0 | \$1,100 | \$1,100 | \$1,950 | \$33,050 |
| 5342 | DEPARTMENT PRORATA | \$182,000 | \$159,646 | \$181,000 | \$45,250 | \$90,500 | \$0 | \$90,500 | \$181,000 | \$0 |
| 5342 | DEPARTMENTAL SERVICES | \$4,000 | \$21 | \$4,000 | \$34 | \$34 | \$0 | \$34 | \$40 | \$3,960 |
| 5344 | CONSOLIDATED DATA CENTERS | \$6,000 | \$1,498 | \$6,000 | \$0 | \$0 | \$0 | \$0 | \$1,498 | \$4,502 |
| 5346 | INFORMATION TECHNOLOGY | \$1,000 | \$389 | \$1,000 | \$0 | \$0 | \$0 | \$0 | \$400 | \$600 |
| 5362-5368 | EQUIPMENT | \$0 | \$284 | \$0 | \$0 | \$0 | \$0 | \$0 | \$284 | -\$284 |
| OPERATING EXPENSES & EQUIPMENT | | \$512,000 | \$286,650 | \$511,000 | \$54,870 | \$107,188 | \$33,875 | \$141,063 | \$310,547 | \$200,453 |

| | | | | | | | | | |
|-----------------------|--------------------|------------------|--------------------|------------------|------------------|-----------------|------------------|------------------|------------------|
| OVERALL TOTALS | \$1,122,000 | \$751,249 | \$1,124,000 | \$100,002 | \$231,274 | \$33,875 | \$265,150 | \$808,610 | \$315,390 |
|-----------------------|--------------------|------------------|--------------------|------------------|------------------|-----------------|------------------|------------------|------------------|

| | | | | | | | | | |
|---------------------------|--------------------|------------------|--------------------|------------------|------------------|-----------------|------------------|------------------|------------------|
| REIMBURSEMENTS | -\$1,000 | \$0 | -\$1,000 | | | | | \$0 | -\$1,000 |
| OVERALL NET TOTALS | \$1,121,000 | \$751,249 | \$1,123,000 | \$100,002 | \$231,274 | \$33,875 | \$265,150 | \$808,610 | \$314,390 |

28.06%

Department of Consumer Affairs
Revenue Projection Report

Reporting Structure(s): 11117000 Support
Fiscal Month: 3
Fiscal Year: 2024 - 2025
 Run Date: 10/28/2024

Revenue

| Fiscal Code | Line Item | Budget | July | August | September | Year to Date | Projection To Year End |
|-------------|---|--------------------|------------------|------------------|------------------|------------------|------------------------|
| | Delinquent Fees | \$3,000 | \$750 | \$0 | (\$150) | \$600 | \$3,300 |
| | Other Regulatory Fees | \$29,000 | \$9,125 | \$975 | \$17,050 | \$27,150 | \$28,700 |
| | Other Regulatory License and Permits | \$118,000 | \$20,500 | \$20,100 | \$17,050 | \$57,650 | \$116,550 |
| | Other Revenue | \$7,000 | \$0 | \$92 | \$25 | \$117 | \$117 |
| | Renewal Fees | \$1,013,000 | \$101,150 | \$122,200 | \$129,200 | \$352,550 | \$977,100 |
| | Revenue | \$1,170,000 | \$131,525 | \$143,367 | \$163,175 | \$438,067 | \$1,125,767 |

Reimbursements

| Fiscal Code | Line Item | Budget | July | August | September | Year to Date | Projection To Year End |
|-------------|---------------------------------|------------|------------|-------------|------------|--------------|------------------------|
| | Scheduled Reimbursements | \$0 | \$0 | \$49 | \$0 | \$49 | \$49 |
| | Reimbursements | \$0 | \$0 | \$49 | \$0 | \$49 | \$49 |

3108 - Professional Fiduciaries Bureau Fund Analysis of Fund Condition
(Dollars in Thousands)

Prepared 11.18.2024

2024 Budget Act With FM 3 Projections

| | ACTUAL | CY | BY | BY +1 | BY +2 |
|--|----------------|----------------|----------------|----------------|----------------|
| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
| BEGINNING BALANCE | | | | | |
| Prior Year Adjustment | \$ 254 | \$ 301 | \$ 549 | \$ 463 | \$ 341 |
| Adjusted Beginning Balance | \$ 2 | \$ - | \$ - | \$ - | \$ - |
| | \$ 256 | \$ 301 | \$ 549 | \$ 463 | \$ 341 |
| REVENUES, TRANSFERS AND OTHER ADJUSTMENTS | | | | | |
| Revenues | | | | | |
| 4121200 - Delinquent fees | \$ 3 | \$ 3 | \$ 3 | \$ 3 | \$ 3 |
| 4127400 - Renewal fees | \$ 664 | \$ 977 | \$ 977 | \$ 977 | \$ 977 |
| 4129200 - Other regulatory fees | \$ 19 | \$ 29 | \$ 29 | \$ 29 | \$ 29 |
| 4129400 - Other regulatory licenses and permits | \$ 141 | \$ 117 | \$ 117 | \$ 117 | \$ 117 |
| 4163000 - Income from surplus money investments | \$ 15 | \$ - | \$ 7 | \$ 5 | \$ 3 |
| Totals, Revenues | \$ 842 | \$ 1,126 | \$ 1,133 | \$ 1,131 | \$ 1,129 |
| TOTALS, REVENUES, TRANSFERS AND OTHER ADJUSTMENTS | \$ 842 | \$ 1,126 | \$ 1,133 | \$ 1,131 | \$ 1,129 |
| TOTAL RESOURCES | \$ 1,098 | \$ 1,427 | \$ 1,682 | \$ 1,594 | \$ 1,470 |
| Expenditures: | | | | | |
| 1111 Department of Consumer Affairs (State Operations) | \$ 751 | \$ 809 | \$ 1,157 | \$ 1,191 | \$ 1,227 |
| 9892 Supplemental Pension Payments (State Operations) | \$ 8 | \$ 7 | \$ - | \$ - | \$ - |
| 9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations) | \$ 38 | \$ 62 | \$ 62 | \$ 62 | \$ 62 |
| TOTALS, EXPENDITURES AND EXPENDITURE ADJUSTMENTS | \$ 797 | \$ 878 | \$ 1,219 | \$ 1,253 | \$ 1,289 |
| FUND BALANCE | | | | | |
| Reserve for economic uncertainties | \$ 301 | \$ 549 | \$ 463 | \$ 341 | \$ 181 |
| Months in Reserve | 4.1 | 5.4 | 4.4 | 3.2 | 1.6 |

NOTES:

1. Assumes workload and revenue projections are realized in CY and ongoing.
2. Expenditure growth projected at 3% beginning BY and ongoing.

Tentative Legislative Calendar Highlights:

- **December 2, 2024** – Convening of the 2025-26 Regular Session.
- **January 1, 2025** – Statutes take effect.
- **January 6, 2025** – Legislature reconvenes.
- **January 10, 2025** – Budget must be submitted by the Governor.
- **February 21, 2025** – Last day for bills to be introduced.



LICENSING AND ENFORCEMENT STATISTICS

JULY 1, 2024–SEPTEMBER 30, 2024

LICENSING STATISTICS

FISCAL YEAR 2024–25 (Q1)

TOTAL LICENSES ISSUED SINCE JULY 1, 2008

1,461

NUMBER OF LICENSES BY STATUS AS OF SEPTEMBER 30, 2024

Active: 859
 Inactive: 12
 Retired: 21

APPLICATIONS

Initial Applications Received FY 24–25: 28

Initial Licenses Issued FY 24–25: 26

PROCESSING TIME FOR COMPLETE APPLICATIONS

Quarter 1 (July–Sep):

23 days from receipt to approval to sit for exam
 6 days from passing exam to issuance of license

RENEWALS

Renewals Processed:

Quarter 1 (July–Sep): 232

TOTAL: 232

Processing Timeline:

Quarter 1 (July–Sep): 23 days

ENFORCEMENT STATISTICS

FISCAL YEAR 2024–25 (Q1)

COMPLAINTS RECEIVED

50

COMPLAINTS CLOSED

Opened in FY 20–21: 0
 Opened in FY 21–22: 0
 Opened in FY 22–23: 3
 Opened in FY 23–24: 21
 Opened in FY 24–25: 11

TOTAL CLOSED: 35

AVERAGE DAYS TO CLOSE

The average number of days to close includes cases which were opened prior to the beginning of the fiscal year

153

COMPLAINTS PENDING

Opened in FY 20–21: 1
 Opened in FY 21–22: 1
 Opened in FY 22–23: 20
 Opened in FY 23–24: 52
 Opened in FY 24–25: 39

TOTAL PENDING: 113

CITATIONS ISSUED

2

ATTORNEY GENERAL CASES INITIATED

1

Professional Fiduciaries Bureau: Complaint and Enforcement Process

December 11, 2024



General Overview

- ▶ “The Bureau may upon its own, and shall, upon the receipt of a complaint from any person, investigate the actions of a professional fiduciary.”
- ▶ Complaints are received by:
 - Phone
 - Email
 - Fax
 - Mail
- ▶ Complaints are also initiated by the Bureau.
- ▶ Complaint and investigation information is not subject to public disclosure.
- ▶ Administrative or disciplinary action against a licensee IS subject to public disclosure and posted on the PFB’s website and on the licensee’s profile page.
 - Bureau Actions Page- <https://fiduciary.ca.gov/enforcement/index.shtml>
 - DCA License Verification Page- <https://search.dca.ca.gov>

General Overview (cont'd)

- ▶ PFB has authority to take administrative and disciplinary action against a professional fiduciary's license for violations of the Professional Fiduciaries Act.
 - Citations, including a fine and/or an order of abatement
 - Letter of Public Reprimand
 - Probation
 - Suspension
 - Revocation
 - Stipulated Surrender
- ▶ PFB does not:
 - 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 administration of or payments from a trust or estate
 - Issue a criminal conviction against a licensee

Complaint Intake Process

- ▶ Initial Complaint Review
 - ▶ Determine Jurisdiction
 - Non-Jurisdictional
 - Individuals who are not licensed and not required to be licensed (attorneys licensed with the State Bar, family members, etc.)
 - Entities/Industries not regulated by the Bureau
 - Complaints within the Bureau's jurisdiction
 - Licensed professional fiduciaries
 - Conservator
 - Guardian
 - Trustee
 - Agent Under a Durable Power of Attorney for Finance or Healthcare
 - Personal Representative of a Decedent's Estate
 - Unlicensed practice

Complaint Intake Process (cont'd)

- ▶ What is the complaint about?
 - Determine the allegations
 - Review complaint history
- ▶ Determine potential violation in statutes and regulations.
 - Business and Professions Code
 - California Code of Regulations, Division 41, Title 16
 - Probate Code
- ▶ An acknowledgement letter is sent to the complainant within 10 days of receipt.

Investigation Process

- ▶ PFB's role is to conduct an objective and impartial investigation of complaints within its jurisdiction of enforcing the Professional Fiduciaries Act.
- ▶ Complaint and investigation information is not subject to public disclosure.
- ▶ Review
 - Initial complaint
 - Supporting documents
 - Statutes and regulations
- ▶ Contact
 - Complainant
 - Licensee
 - Witnesses



Investigation Process (cont'd)

- ▶ Investigation Report
 - ▶ Detailed analysis
 - Allegations
 - Facts
 - Findings
 - Violations of statutes and regulations
 - ▶ Evidence
 - ▶ Recommendation
- ▶ Determination
 - ▶ Notification to complainant and licensee

Common Outcomes of Investigations

- ▶ No violation
- ▶ Insufficient evidence
- ▶ No response from the complainant
- ▶ Citation issued
- ▶ Referred to the Attorney General's Office for discipline

Things to consider...

- ▶ The timeframe for determining the outcome of complaints varies depending on the complexity of the case.
- ▶ Although some complaints may share similarities, no two cases are alike; therefore, the outcome may vary case to case.
- ▶ Factors that may impact an investigation:
 - ▶ Lack of cooperation from the complainant
 - ▶ Lack of cooperation from the licensee
 - ▶ Requests for records
 - ▶ Lack of sufficient information provided in the initial complaint
 - ▶ Insufficient evidence



DUE PROCESS

What Does it Require?

**Notice and
Opportunity to be
Heard**

(Gov. Code §11425.10.)

The Basics: Who's Involved?

Parties

- ▶ Complainant
 - ▶ Bureau Chief
 - ▶ Represented by the Attorney General's Office
- ▶ Respondent
 - ▶ Licensee
 - ▶ Applicant
 - ▶ alleged to have engaged in unlicensed activity
 - ▶ May be represented by an attorney

Decision-Maker

- ▶ Director of the Department of Consumer Affairs
 - ▶ Usually, the Director's delegee in Legal Affairs via delegation of authority

Documents: What Are They?



- ▶ **Citation**: issued for violation(s); may contain an order of abatement, an administrative fine, or both
- ▶ **Accusation**: the charging document for a licensee
- ▶ **Statement of Issues**: the charging document for an applicant, unlicensed individual
- ▶ **Proposed Decision**: the decision proposed by the Administrative Law Judge who presided over the administrative hearing
- ▶ **Stipulated Settlement**: a negotiated agreement to resolve the matter without having a hearing

Citations



- ▶ Issued by the Bureau Chief
 - ▶ Includes an order of abatement and/or or administrative fine
- ▶ Citation must be in writing, describe with particularity the nature and facts of the violation(s), and include a reference to the law(s)/regulation(s) violated
- ▶ Order of Abatement-corrective action
- ▶ Administrative Fine
 - ▶ Up to \$5,000 for each investigation made with respect to the violation
 - ▶ If the citation is not contested and a fine not paid, the full amount shall be added to the license renewal fee. A license will not be renewed without payment of the renewal fee and fine.
- ▶ Failure to pay a fine or comply with an order of abatement, or both, within 30 days of the date assessed or ordered (unless the citation is appealed) may result in disciplinary action.
- ▶ A citation must inform the cited person the right to contest the citation; options:
 - ▶ Informal conference (IC), option for formal administrative hearing to appeal the IC decision; OR
 - ▶ Formal administrative hearing ONLY

Contesting the Citation Informal Conference (IC)



- ▶ IC must be held within 60 days from the date PFB received the written request
- ▶ After the IC is held, a written IC Decision is issued to:
 - ▶ uphold, modify, or dismiss the citation
- ▶ Written IC decision and upheld or modified citation must be sent to the cited person, including stating the findings and reasonings.
- ▶ Formal hearing may be requested, in writing, within 30 days after the service of the new/modified citation

(Bus. & Prof. Code §125.9 and §6580; 16 CCR §4606.)

Citations (cont.)

Informal Citation Conference

- ▶ If the citation is upheld:
 - ▶ Deemed a final order, unless the cited person requested a formal hearing within 30 days after the service of the upheld citation
- ▶ If the citation is modified:
 - ▶ Original citation is considered withdrawn, and a new citation is issued
 - ▶ Formal hearing may be requested, in writing, within 30 days after the service of the new/modified citation
 - ▶ NOTE: Cited person may not request an IC for a citation that was modified following an IC; they can ONLY request a formal hearing

(16 CCR §4606)

Contesting a Citation (cont'd)

- Formal Administrative Hearing

- ▶ Cited person has the right to request a formal administrative hearing to contest a citation
- ▶ A formal hearing is conducted at the Office of Administrative Hearings before an Administrative Law Judge.
- ▶ At the conclusion of an administrative hearing the Administrative Law Judge will issue a Proposed Decision to uphold, modify, or dismiss the citation, in part or its entirety.
- ▶ Note: The process for a formal hearing for a contested citation is the same as a formal hearing for discipline and will be discussed in more detail later.

(16 CCR §4600.)



How Does the Disciplinary Process Start?

- Accusations/Statements of Issues

- ▶ Bureau Chief files an Accusation / Statement of Issues against a respondent
- ▶ The Accusation / Statement of Issues and other documents are served on the respondent
- ▶ The respondent has 15 days to file a Notice of Defense after the date of service to request a hearing
- ▶ If the respondent fails to file a Notice of Defense within 15 days, they have waived their right to a hearing
 - ▶ BUT - the Director has the discretion to grant a hearing anyway!



(Gov. Code §§11505, 11506.)

SOLVED

How are Cases Resolved When a Formal Hearing is Requested?

- ▶ Stipulated Settlement
- ▶ Proposed Decision
- ▶ Default Decision

Stipulated Settlement: “The Stip”



- ▶ A negotiated agreement to resolve a matter without going to hearing
 - ▶ Accusation
 - ▶ Statement of Issues
 - ▶ Citation
- ▶ PFB analyst and Deputy Attorney General (DAG) develop the proposed terms
- ▶ The respondent must agree to the terms and sign the proposed stipulation before the Director will consider it
- ▶ After the respondent signs the stipulation, the PFB analyst sends the proposed stipulation to the Director’s delegee in the Legal Affairs Division for a final decision

(Gov. Code §11415.60.)

Stipulated Settlement: Options

- ▶ **Director Adopts Stipulated Settlement**
 - ▶ The signed stipulation will be sent back to the PFB analyst
 - ▶ PFB analyst adds the effective date based on date of service
- ▶ **Director Rejects Stipulated Settlement** and set the matter for hearing
 - ▶ The unsigned stipulation will be returned to the PFB analyst with a memo explaining why it was rejected; new proposed terms
 - ▶ PFB analyst works with the DAG to notify the respondent and reattempt negotiation or schedule the matter for hearing

Proposed Decision: Administrative Hearing

- ▶ Hearing is presided over by an Administrative Law Judge (ALJ), employed by the Office of Administrative Hearings (OAH)
- ▶ A Notice of Hearing is mailed to the respondent at least 10 days before the hearing
- ▶ Each party has the right to present evidence and examine and cross-examine witnesses
- ▶ Complainant: represented by the Attorney General's Office
- ▶ Respondent: may appear on their own or be represented by an attorney at their expense

(Gov. Code §§11425.10, 11425.50, 11509, 11512, 11513, 11517.)

Proposed Decision

Disciplinary Case (Accusation)

- ▶ ALJ reviews the law and evidence
- ▶ ALJ determines if PFB met clear and convincing evidence that the Professional Fiduciaries Act was violated
- ▶ Proposes level of discipline to be imposed by the Director
- ▶ May include cost recovery for reasonable costs of investigation and enforcement of the case based on actual costs incurred by PFB and factors to determine costs are reasonable for the case

(Bus. & Prof. Code §125.3; 1 CCR §1042; *Zuckerman v. State Bd. Of Chiropractic* (2002) 29 Cal.4th 32)



Licensing Case (Statement of Issues)

- ▶ Proposes the granting or denial of an initial license
- ▶ Initial license may be granted, immediately revoked with revocation stayed, and placed on probation with terms and conditions
- ▶ Disciplinary Guidelines
- ▶ Cost recovery not available



CLEAR AND CONVINCING EVIDENCE

What does this mean?

“Clear and convincing evidence requires a finding of high probability, or evidence so clear as to leave no substantial doubt; it requires sufficiently strong evidence to command the unhesitating consent of every reasonable mind.”
(Katie V. v. Superior Court (2005) 130 Cal.App.4th 586, 594.)

Proposed Decision



- ▶ ALJ issues a Proposed Decision within 30 days
 - ▶ Must be in writing with factual and legal basis for the decision
 - ▶ Findings of Fact, Legal Conclusions, Credibility Determinations
- ▶ OAH provides the Proposed Decision to PFB
- ▶ PFB analyst sends the Proposed Decision to DCA Legal

(Gov. Code §11517.)

Proposed Decision: Five Options

- ▶ **100 days** from the date PFB receives the Proposed Decision, the Director's designee **must:**
 - ▶ **Adopt** the Proposed Decision in its entirety;
 - ▶ Make **minor or technical changes** to the Proposed Decision;
 - ▶ **Mitigate** (reduce) the proposed penalty and adopt the rest of the Proposed Decision.
 - ▶ **Reject** (non-adopt) the Proposed Decision and decide the case on the record, including the transcripts and exhibits introduced by both parties at the hearing. The parties must be given the opportunity to present either oral or written argument;
 - ▶ **Reject and Remand** (return) the Proposed Decision to the ALJ to take additional evidence;

(Gov. Code §11517.)

Default Decision

- ▶ Issued when the respondent:
 - ▶ Fails to file a Notice of Defense within 15 days after the Accusation / Statement of Issues was served; OR
 - ▶ Fails to appear at the hearing after requesting a formal hearing
- ▶ The Director may then take action without further notice to the respondent, specifically issue a default decision closing the case

(Gov. Code §11520.)



Questions?