feature article



Adult guardianships and conservatorships are an incredibly important, but often overlooked, part of our legal system. Historically, the purpose of a guardianship was to assume control of a person's property who was determined to be incapacitated. Although a guardian took control over the person as well as his or her property, the primary focus of the English Commonwealth was on property and not the person.² Today, guardianships tend to focus more on the person, but many guardians and conservators maintain control over the person's property. This creates the opportunity for abuse, neglect, and exploitation. Nebraska has put in place a number of laws, rules, and requirements to prevent exploitation of those under a guardianship. Attorneys who act as guardians raise unique ethical questions—most notably when an attorney-guardian charges attorney-fee rates for services provided to the person

Brian D. Craig



Brian D. Craig is a Staff Attorney at Disability Rights Nebraska, where he represents people with disabilities in cases involving abuse and neglect, rights violations, and disability discrimination. He received his B.A. in Psychology and Philosophy from the University of Nebraska at Omaha and his J.D. from the University of Nebraska College of Law. While at Nebraska, he was a member

of the Nebraska Moot Court Board and was elected to the Order of the Barristers. He is a member of the Robert Van Pelt American Inn of Court, the Nebraska Values-Based Education Coalition, and serves as Chair of the Nebraska State Bar Association Public Interest Law Section.

for whom they serve as guardian. An additional ethical consideration is whether an attorney-guardian should ever provide legal services to the person for whom they are guardian.

This article addresses these ethical concerns as applied to individuals with guardians³ whose income is derived primarily or exclusively from public benefits such as Supplemental Security Income.

Unreasonable Attorney-Guardian Fees in Nebraska

Any competent person acting as a guardian is entitled to reasonable fees for services provided under the guardianship.⁴ Similarly, an attorney acting as a guardian/conservator is entitled to reasonable fees and costs for the work performed in connection with that guardianship.⁵ However, not all services performed by an attorney-guardian are legal in nature and the reasonableness of the fees for non-legal services should not be the same as the provision of legal services. The reasonableness of fees for attorneys that perform legal and non-legal services should, therefore, depend on the type of service provided, and not simply attorney licensure.

Attorneys in Nebraska are bound by the Rules of Professional Conduct in determining appropriate fee rates. The factors to consider include:

- (1) the time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly;
- (2) the likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the lawyer;
- (3) the fee customarily charged in the locality for similar legal services;

- (4) the amount involved and the results obtained;
- (5) the time limitations imposed by the client or by the circumstances;
- (6) the nature and length of the professional relationship with the client;
- (7) the experience, reputation, and ability of the lawyer or lawyers performing the services; and
- (8) whether the fee is fixed or contingent.⁶

These rules contemplate reasonable attorney fees for the provision of *legal services* performed by an attorney. They do not consider attorney fees for non-legal services such as taking a call on behalf of the person when that call does not require legal skill. Neither the Rules of Professional Conduct, nor Nebraska's guardianship statute, set forth criteria to determine what are reasonable guardianship fees. Instead, that determination lies within the discretion of the court.

During my time in practice, I have contested fees on behalf of individuals with guardians when fees have been patently unreasonable. For example, I have seen attorneys who act as guardians charge between \$100-\$200 per hour for services rendered while performing guardianship duties. Ordinarily, these services are not legal in nature, but rather services that could be performed by a service provider or the state, *e.g.*, going to the grocery store, performing errands, filling out forms for social security or the Department of Health and Human Services. Indeed, the practice of law "is the application of legal principles and judgment with regard to the circumstances or objectives of another entity or person which require the knowledge, judgment, and skill of a person trained as a lawyer."

The Nebraska Supreme Court has provided examples of the practice of law:

- (A) Giving advice or counsel to another entity or person as to the legal rights of that entity or person or the legal rights of others for compensation, direct or indirect, where a relationship of trust or reliance exists between the party giving such advice or counsel and the party to whom it is given.
- (B) Selection, drafting, or completion, for another entity or person, of legal documents which affect the legal rights of the entity or person.
- (C) Representation of another entity or person in a court, in a formal administrative adjudicative proceeding or other formal dispute resolution process, or in an administrative adjudicative proceeding in which legal pleadings are filed or a record is established as the basis for judicial review.
- (D) Negotiation of legal rights or responsibilities on behalf of another entity or person.
- (E) Holding oneself out to another as being entitled to practice law as defined herein.⁸

Routine errands and tasks that do not fall into these catego-

ries—or are an extension of one—are not legal services. Thus, the reasonableness of fees for non-legal services should be judged in a different way from those requested by an attorney providing legal services. The only set of circumstances under which an attorney-guardian could request attorney fees for legal services would be if the attorney-guardian provided legal services to the person under the guardianship. That raises a different set of concerns.

Attorney-Guardians Have a Conflict of Interest in the Provision of Legal Services

For an attorney to be an individual's guardian and to simultaneously form an attorney-client relationship raises significant ethical concerns for the attorney. "A lawyer shall not enter into a business transaction with a client or knowingly acquire an ownership, possessory, security or other pecuniary interest adverse to a client." Comment 1 states "[a] lawyer's legal skill and training, together with the relationship of trust and confidence between lawyer and client, create the possibility of overreaching when the lawyer participates in a business, property or financial transaction with a client." 10

A person who has a guardian is one who has been deemed by a court to be incapacitated. Apart from entering into an attorney-client relationship to challenge the guardianship, the terms of the guardianship, or the actions of the guardian on behalf of the ward, 11 an individual who has a guardian cannot enter into any contract-let alone an attorney-client relationship. Thus, an attorney-guardian who performs legal services for the person for which they are a guardian enters into a business transaction when an attorney-client relationship is formed, in violation of the Rules of Professional Conduct. A lawyer should not, therefore, provide legal services to the person for whom the lawyer is a guardian. This is especially true if the guardian is the representative payee, conservator, or is a guardian with control over the person's funds, because that amounts to a possessory interest adverse to the client if he or she does not consent to such a transaction—and as a ward, the person cannot enter into such a transaction. Because an attorney should not provide legal services to the person, there is no justification to charge attorney-fee rates for non-legal services to a ward.

The National Guardianship Association (NGA) Standards of Practice permit an attorney to act as both guardian and a legal service provider. The NGA and a Virginia court, however, have recognized there is an implicit conflict of interest when an attorney acts as both guardian and a legal services provider. There is a clear tension between these standards and the Rules of Professional Conduct.

The Rules of Professional Conduct require the attorney who wishes to enter into a transaction with a client to com-

municate the terms of the transaction in writing in a way that is reasonably understood by the client.¹⁴ The client must also be advised in writing of the desirability of seeking, and being provided with the opportunity to seek, the advice of independent legal counsel on the transaction.¹⁵ Before the attorney with the conflict can enter into the business transaction, the client must give informed consent, in a writing signed by the client, that acknowledges assent to the essential terms of the lawyer's role and whether the lawyer is representing the client in the transaction.¹⁶

The problem here is that an individual with a disability who has a guardian lacks capacity in one or more areas of his or her life. In order to ensure the person with a disability understands the terms of the agreement, it will likely need to be explained in a different way than it would if the person did not have a disability.¹⁷ The person with a disability may also lack the finances to seek independent legal advice on the transaction, and would likely rely on the information provided by the attorney-guardian. Finally, and most importantly, the person who has the guardian lacks the legal capacity to enter into a contract with another person. If the person lacks legal capacity to enter into a contract, he or she surely cannot give informed consent. 18 Despite the NGA permitting the practice of a guardian providing legal services to the person under the guardianship, the intersection of the Rules of Professional Conduct, Nebraska's guardianship statues, and common sense almost certainly do not. The purpose of my argument is not to limit the ability of a well-meaning guardian to provide services to a person under the guardianship; rather, it is to establish additional safeguards that protect vulnerable adults from exploitation from attorneyguardians who are in a unique position to engage in such activity.

The Rules of Professional Conduct address representation of a person who has a guardian: "If a legal representative has already been appointed for the client, the lawyer should ordinarily look to the representative for decisions on behalf of the client." An attorney who is both guardian and providing legal services to the same person would ordinarily look to him or herself in making ultimate decisions regarding the legal representation that are up to the client. An attorney who acts as legal representative in the form of guardian, and then legal representative in the form of attorney, creates unique ethical questions and provides for exploitative scenarios.

Attorney-Guardian Fees in Other States

The issue of attorneys requesting fees for non-legal services has been addressed in other parts of the country. For example, the Supreme Court of Louisiana recognized the distinction between attorney fees for legal services and non-legal services. In *In re Katherine M. Guste*, ²⁰ an attorney represented a man in preparing a power of attorney and represented him in a crimi-

nal case.²¹ The attorney then assisted the man in cancelling the power of attorney, taking him to the bank, running other errands, and storing his personal and household belongings prior to his move into a nursing home.²² The attorney spent approximately 220 hours providing services at a rate of \$125 per hour.²³ The issue on appeal from a disbarment ruling was "whether an attorney and client may enter into an agreement whereby the attorney provides both legal and non-legal services for a specified fee."24 As part of its analysis, the Louisiana Supreme Court acknowledged the danger of overreaching when the provision of legal and non-legal services are blurred by an attorney.²⁵ Thus, the [the attorney's] ability to charge her legal rate of \$125 for services which were nominally personal stemmed from [her client's] implicit trust of her as a lawyer."26 The court held that "[the attorney] could not ethically charge her client for her time as a lawyer when she was providing nonlegal services," and the fees were excessive.²⁷

The Louisiana case did not involve an attorney acting as both guardian and legal service provider to the same person. That issue has been addressed in a series of consolidated cases out of Virginia. In that case, a law firm ("NMP") acted as guardian and conservator for a number of people.²⁸ The firm utilized its staff and charged wards at a schedule of rates for legal services ranging between \$85-\$125 per hour.²⁹ In holding that the rates charged for non-legal services was unreasonable, the Virginia court noted that while guardianship is important and critical, much of it "simply does not require legal skill or expertise." 30 Beyond work that does not require legal skill, "the reasonable rate that the [g]uardian may charge is the rate commensurate with the rate being charged in the marketplace for similar skills or tasks."31 During the initial trial, testimony by an expert stated that she employed a retired teacher to perform personal care services at a rate of \$25 per hour.³² Employing people other than the attorney-guardian to perform services is but one way to avoid overcharging individuals who have a guardian.

Many individuals under guardianship receive less than \$1000 per month to live on through public benefits. Paying for anything other than basic life necessities is nearly impossible. These people simply cannot afford guardianship fees that are assessed at an attorney fee rate.³³

Reducing Guardianship Fees

One way to avoid the problem of fees is to establish standards for guardianship fees. Many states have implemented standards by established fee scales based on the assets of a person that has a guardian. Connecticut and Mississippi set payment for guardians at an amount not to exceed 5 percent of the person with a guardian's estate.³⁴ Georgia sets compensation for conservators at 2.5 percent of the money received or paid during the accounting year, and may receive .5 percent of the market value of the conserved estate each year.³⁵

Another way this could be prevented is through limiting guardianships. In order to ensure guardianship is the least restrictive alternative, not only should the guardianship be narrowly tailored, but the guardian should make decisions that result in the least restrictive alternative. When making decisions such as where an individual should live, the guardian should look not only at what is the least restrictive alternative, but under the Americans with Disabilities Act, he or she should also look at what is the most integrated setting for the person to live.

As a matter of law, the guardian should consult with the person for whom they are the guardian to ensure the decisionmaking process is done in the least restrictive manner.³⁶ As a matter of human rights and dignity, the guardian should look beyond the baseline called "least restrictive alternative" and, instead, look toward something better. To draw an analogy, a corporation has fiduciary responsibilities to manage the affairs of the corporation in a way that increases revenue to shareholders. In the same way, a guardian has a fiduciary duty to the person for whom he or she is a guardian and should maximize the human capital of the person. That means the guardian should take steps necessary to promote productivity and independence. The most fundamental means of promoting these things is through supporting a person in his or her decisions. Only when the person has decision-making power can he or she become productive and independent.

The recent creation of the Office of Public Guardian (OPG) has helped with some of these issues. One of their primary mandates is to provide education to guardians. Under statute, they are required to approve training curricula for persons appointed as guardians and conservators that includes education on the rights of persons under guardianship; the duties and responsibilities of guardians; reporting requirements; the least restrictive option in the areas of housing, medical care, and psychiatric care; and resources to assist guardians in fulfilling their duties.³⁷ The OPG is also required to "model the highest standard of practice for guardians and conservators to improve the performance of all guardians and conservators in the state."38 The OPG's sliding fee scale provides one model that could be used for assessing guardianship fees.

First, the OPG evaluates those for whom it serves as guardian to determine fee eligibility.³⁹ It will not petition for fees where financial hardship to the person would result, which means that the person's total liquid assets falls below \$5,000.40 In no event will the OPG assess fees on income or support derived from Medicaid, Supplemental Security Income, or Public Aid.⁴¹ Similarly, the OPG will not assess a case opening fee for the establishment of the case when there are less than \$5000 in liquid assets.42

Another way to reduce the cost assessed by a guardian is to limit the guardianship when appropriate and promote self-



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determination. The OPG estimates that out of the 10,000-plus guardianships and conservatorships in Nebraska, over 95% are full guardianships.⁴³ Many of the individuals under guardianship may not need a full guardianship, or if they do at one point in time, would not likely need it for the duration of their life. The National Institutes of Health has supported, and continues to support, research that shows therapy and training techniques that focus on communication and behavior can be effective to help people with intellectual disabilities live more independently.44 Indeed, choice-making opportunity is a strong predictor of self-determination.⁴⁵ If an individual has greater opportunities to make choices, he or she is, thus, in a better position to make decisions for him or herself. Guardianships can limit the opportunities for individuals to make choices, thereby limiting their ability to do so, and increasing the number of decisions a guardian makes in place of the individual. If a guardian makes many decisions on behalf of an individual, that necessarily requires additional time, which also increases fees assessed. Promoting self-determination can, therefore, also reduce the fees assessed by a guardian.

Nebraska does not currently have any certification or licensing requirements for guardians.⁴⁶ Guardians are required to take a class that provides certain basic information about being a guardian, but there are no additional requirements to become a guardian. Certification through an independent organization such as the NGA would provide a guardian with additional information and education on best practices. The NGA also sets forth standards of practice by which guardians must abide to remain certified and creates a network of other guardians that can be utilized when questions or concerns arise, much like any other professional organization.

Finally, guardians in Nebraska can, and should, begin implementing practices found in supported decision-making. Broadly speaking, "supported decision-making occurs when an individual with cognitive challenges is the ultimate decision-maker but is provided support from one or more persons who explain issues to the individual and, where necessary, interpret the individual's words and behavior to determine his or her preferences."⁴⁷ Texas and Delaware have both recently passed legislation to support individuals with disabilities in making decisions.⁴⁸ The international community has also endorsed and begun implementing new supported decision-making models to promote the rights of individuals with disabilities who may need assistance with making decisions.⁴⁹

The task of creating a new system of supported decisionmaking is a long one that cannot be pushed onto the courts. It would require statewide, inter-agency cooperation. Guardians and courts should, however, be aware that supported decisionmaking practices could be implemented by guardians themselves without the creation of new laws. Guardians could then have a profoundly positive impact on people with disabilities through promoting and supporting independence that would have the added benefit of reducing fees assessed by guardians.⁵⁰

Conclusion

All people involved in the guardianship/conservatorship system have an important responsibility to ensure that Nebraska's most vulnerable individuals are free from abuse, neglect, exploitation, and *over*protection. While Nebraska has done much to further these efforts, there is more work to be done. Attorneys and guardians share an important role in ensuring individuals with disabilities live as independently as possible and in the least restrictive means.

Endnotes

- ¹ I would like to thank Disability Rights Nebraska's Senior Staff Attorney, Dianne DeLair, and our law clerk, Adrienne Loutsch, for their invaluable assistance with this article as well as the individuals I have represented who have had the courage to challenge the actions of their guardians.
- Norman Fell, Guardianship and the Elderly: Oversight Not Overlooked, 25 U. Tol. L. Rev. 189, 193 (1994). See also Joan L. O'Sullivan & Diane E. Hoffmann, The Guardianship Puzzle: Whatever Happened to Due Process?, 7 Md. J. Contemp. Legal Issues 11, 13-14 (1996).
- Javoid using the term "ward" because it depersonalizes individuals with disabilities who have a guardian. Instead, I will try to use "person-first" language. For information on why person-first language is important, and the scientific research on how person-first language informs implicit bias, see Communicating With and About People with Disabilities, U. S. Dep't of Health &Human Servs., Nat'l Ctr. on Birth Defects & Developmental Disabilities, available at https://www.cdc.gov/ncbddd/disability-andhealth/pdf/disabilityposter_photos.pdf (last visited Aug. 3, 2016)
- ⁴ Neb. Rev. Stat. § 30-2627 (2014); § 30-2620.01 (2008); § 30-2628(a)(5)(ii) & (b) (2013).
- 5 *Id*
- ⁶ Neb. Ct. R. of Prof. Cond. § 3-501.5.
- ⁷ Neb. Sup. Ct. R. § 3-1001.
- 8 Id.
- 9 Neb. Ct. R. of Prof. Cond. § 3-501.8(a).
- ¹⁰ Id. at comment 1.
- ¹¹ Neb. Rev. Stat. § 30-2620(b) (2011).
- 12 "J. A guardian who is an attorney or employs attorneys may provide legal services to a person only when doing so best meets the needs of the person and is approved by the court following full disclosure of the conflict of interest. The guardian who is an attorney shall ensure that the services and fees are differentiated and are reasonable. The services and fees are subject to court approval." National Guardianship Association, Standards of Practice (Fourth Edition) at 17 (2013).
 - "K. The guardian may enter into a transaction that may be a conflict of interest only when necessary, or when there is a significant benefit to the person under the guardianship, and shall disclose such transactions to interested parties and obtain prior court approval." Id.
- ¹³ *Id.*; *In re Estate of Clark*, 85 Va. Cir. 143, n.2 (2012) ("When a fiduciary acts as both a Guardian and a Conservator and provides legal services to a ward, an obvious conflict of interest may be present")
- ¹⁴ Neb. Ct. R. of Prof. Cond. § 3-501.8(a)(1).
- ¹⁵ Id. at § 3-501.8(a)(2).

- ¹⁶ Id. at § 3-501.8(a)(3).
- ¹⁷ Title III of the Americans with Disabilities Act would likely require the attorney to provide reasonable accommodations to the person with a disability to ensure the person understands the nature of the transaction. 28 C.F.R § 36.302(a) (2011).
- ¹⁸ The question of whether the person can actually understand and assent to the terms of the agreement is a separate one from the question of whether a person has legal capacity to do so.
- ¹⁹ Neb. Ct. R. of Prof. Cond. § 3-501.14 (Comment 4). This section of the Rules of Professional Conduct deal specifically with clients with diminished capacity.
- ²⁰ In re Guste, 118 So. 3d 1023 (2012).
- ²¹ Id. at 1025.
- ²² Id.
- 23 Id. at 1025, 1027.
- ²⁴ Id. at1031.
- ²⁵ Id.
- ²⁶ Id.
- ²⁷ Id. at 1032.
- ²⁸ In re Estate of Clark, 85 Va. Cir. 143 at *2 (2012).
- ²⁹ *Id.* at *3.
- 30 Id. at *2.
- ³¹ *Id*.
- 32 Id. at *3.
- ³³ In 2012, the Washington Post published an article that discussed attorneys from various jurisdictions who charged attorney fee rates for non-legal services. See Justin Jouvenal, Guardianship case in McLean illustrates lack of regulation for those caring for the elderly, Wash. Post, Nov. 29, 2012 available at https://www.washingtonpost.com/local/guardianship-case-in-mclean-illustrates-lack-of-regulation-for-those-caring-for-the-elderly/2012/11/29/40a49bc2-ec65-11e1-a80b-9f898562d010_story.html (last visited July 30, 2016).
- ³⁴ Catherine Seal & Spencer Crona, Standards for Guardian Fees, 2012 Utah L. Rev. 1575, 1607-08 (2012) (citing to Conn. Gen. Stat. § 45a-594(a) (2011); Miss. Code Ann., § 35-5-23 (1999)).
- 35 Id. at 1607 (citing Ga. Code Ann. §§ 29-3-50(a)(1) & (2) (2011); § 29-5-50(a)(1) & (2) (2011)).
- Neb. Rev. Stat. § 30-2627(c); see also Leslie Salzman, Rethinking Guardianship (Again): Substituted Decision Making as a Violation of the Integration Mandate of Title II of the Americans with Disabilities Act, 81 U. Colo. L. Rev. 157 (Winter 2010) (arguing that supported decision-making should be the norm because substituted decision-making, such as guardianships, violate Title II's Integration Mandate, as interpreted by the U.S. Supreme Court in Olmstead v. L.C. ex rel. Zimring, 527 U.S. 581 (1999), because it results in disability discrimination vis a vis unjustified isolation and segregation) ("[W]hen the state appoints a guardian and restricts an individual from making his or her own decisions, the individual loses crucial opportunities with others." "[This] creates a legal construct that parallels the isolation of institutional confinement." Id. at 194).
- ³⁷ Neb. Rev. Stat. § 30-2601.01 (2014).
- ³⁸ Neb. Rev. Stat. § 30-4105(8) (2014).
- ³⁹ Michelle J. Chaffee, Neb. Office of Pub. Guardian, Ann. Rep. 2015, at 60.
- ⁴⁰ Id. at 60-61. For a breakdown of the sliding fee scale, see Id. at 60-62.
- ⁴¹ *Id*. at 61.
- ⁴² *Id*.
- 43 Id. at 69.
- ⁴⁴ Fact Sheet—Intellectual and Developmental Disabilities, Nat'l Insts. of Health (last updated October 2010) available at https:// report.nih.gov/nihfactsheets/Pdfs/IntellectualandDevelopmenta lDisabilities(NICHD).pdf (last visited Aug. 1, 2016).

- 45 Self-Determination and People with Intellectual and Developmental Disabilities: What does the Research Tell Us?, Nat'l Gateway To Self-Determination, available at http://ngsd.org/sites/default/files/self-determination_and_people_with_intellectual_disabilities_and_developmental_disabilities_what_does_the_research_tell_us.pdf (last visited Aug. 1, 2016). For additional research see Nat'l Gateway to Self-Determination, NGSD Products for Professionals, http://ngsd.org/professionals/ngsd-products-professionals (last visited Aug. 1, 2016).
- 46 See Neb. Rev. Stat. § 30-2627(a) (2014) (stating "any competent person" may act as a guardian.").
- ⁴⁷ Nina A. Kohn et al., Supported Decision-Making: A Viable Alternative to Guardianship, 117 Penn St. L. Rev. 1111, 1120 (2013). For an overview of supported decision-making and supported decision-making models, see id. generally.
- ⁴⁸ Tex. Rev. Civ. Stat. Ann. art. 1357 § 1357.051 (West 2015); S.B. 230, 148th Gen. Assemb., Reg. Sess. (Del. 2016).
- ⁴⁹ See generally Michael L. Perlin, "Striking for the Guardians and Protectors of the Mind": The Convention on the Rights of Persons with Mental Disabilities and the Future of Guardianship Law, 117 Penn St. L. Rev. 1159 (Spring 2013).
- ⁵⁰ For resources about supported decision-making and how to implement it in practice, see the National Resource Center for Supported Decision-Making website, which includes educational materials, webinars, and presentations, available at http:// supporteddecisionmaking.org (last visited August 5, 2016).

