



# CIVIL JUSTICE, INC. ANNUAL REPORT

2014

# FILLING THE JUSTICE GAP

Dear Members and Friends,

In 2014, Civil Justice celebrated our 16<sup>th</sup> anniversary of working to increase the delivery of legal services to low and moderate income individuals and families. Civil Justice was founded by leaders in the legal community who saw the need to create a unique approach to increasing access to justice. Working together with our Network attorneys and legal services partners, we help to increase access to justice and fill the justice gap.

Civil Justice continues to grow and expand our efforts to address unmet legal needs while supporting our Network of private attorneys. Joseph Mack joined us as our new deputy director. Joe is focusing on handling our in-house litigation, providing support to our members, and expanding our auto repossession abuse initiative. In addition, we welcomed Catherine Gonzalez to our staff through an Open Society Institute fellowship. She launched a Student Loan Borrower Protection Project to provide legal services to lower income Baltimore residents with legal problems relating to student loan debt. We received funding from the State of Maryland to continue our foreclosure prevention work, as well as several *cy pres* awards that will allow us to litigate issues that impact low and moderate income consumers.

Highlights of our activities in 2014 include:

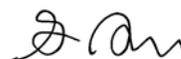
- Created a Foreclosure Brief Legal Advice Project (FBLA) in partnership with the Maryland Volunteer Lawyers Service. The FBLA operates a “brief advice” desk at the Office of Administrative Hearings’ Hunt Valley office staffed by experienced foreclosure mediation attorneys who provide brief consultations with unrepresented homeowners.
- Continued our successful Of Counsel Panel program which provides legal support to housing counselors through in-person meetings and listservs and offers stipend based payments for our Network members.
- Provided several trainings for members on various issues including Bankruptcy and Foreclosure in Maryland, the New Consumer Financial Protection Bureau Regulations on Mortgage Foreclosures and Loan Servicing, and Student Loan Debt.
- Redesigned and updated our website which significantly improved the functionality and appearance of the site, including a more user-friendly attorney database and an on-line donation capability.
- Expanded the Foreclosure Café section of our website which includes a foreclosure pleadings document bank for attorneys and consumer friendly resources for homeowners.
- Litigated and settled a complex mortgage fraud case in Baltimore County on favorable terms for the client.
- Successfully settled several auto repossession abuse matters, getting the lenders to dismiss pending deficiency actions against our clients and securing payments to our client in one matter.

Civil Justice looks forward to continuing to work with our members, friends and partners in the legal community to achieve our goals. Thank you for your continued support of the mission of Civil Justice.

Sincerely,



Cheryl L. Hystad  
Executive Director



Stephen D. Ball  
President

# VISION, MISSION, VALUES

## ***Vision***

To be an innovative leader in creating and expanding access to justice for those in need of legal assistance.

To maintain a robust network of public-interest minded private attorneys who provide high-quality and affordable legal assistance to underserved populations.

## ***Mission***

To increase the delivery of legal services to clients of low and moderate income while promoting a statewide network of solo, small firm and community based lawyers who share a common commitment to increasing access to justice through traditional and non-traditional means.

## ***Values***

- ***Integrity:*** We are honest, ethical and accountable in our endeavors and responsible stewards of our resources.
- ***Professionalism:*** We pursue excellence in the services we provide to our clients and members and promote high quality and effective practice among our Network attorneys.
- ***Community:*** We value the diverse strengths of our community and work in collaboration with our clients, members, staff and community justice partners.
- ***Respect:*** We respect the dignity, worth and diversity of individuals and treat clients, members, staff and partners fairly and equitably.



# CIVIL JUSTICE PROGRAMS

Ms. Z, a working mother of two, contacted Civil Justice for assistance because she fell behind on her mortgage after a divorce. She was provided valuable information about the foreclosure timeline by Civil Justice intake staff and referred to the Foreclosure Brief Legal Advice Project (FBLA) for additional assistance because she did not qualify for free representation. Civil Justice staff spoke to Ms. Z several times over the course of a few months and she met with a FBLA attorney at the Hunt Valley brief advice desk. She contacted Civil Justice to say thank you for the assistance she received because with the help of Civil Justice and the FBLA Project she was able to obtain a loan modification and stay in her home. Ms. Z stated that having someone she could speak with helped her understand her options and enabled her to navigate a confusing and scary process.



## Attorney Network & Referrals

Civil Justice maintains and supports a Network of solo and small firm attorneys who want to use private practice as a means to do public interest work. Members are committed to the idea that, through participation in the Civil Justice Network, each member can grow their own practice while increasing access to the legal system by providing affordable, high-quality legal services to traditionally under-served members of the public. Civil Justice operates an active telephone and web-based referral service and refers thousands of clients to member attorneys annually. Through our community outreach and contacts we are able help bridge the justice gap by connecting low and moderate income clients with attorneys who can assist them.

## Automobile Repossession Abuse Initiative

Civil Justice's Automobile Repossession Abuse Initiative provides advice and representation to low and moderate income individuals who have been the victims of fraudulent and unscrupulous practices by car dealers and finance companies. Many of the individuals assisted through this project had their automobiles wrongfully repossessed and are being sued for thousands of dollars by the dealer or finance company.

## Foreclosure Brief Legal Advice Project

In August 2014, Civil Justice and Maryland Volunteer Lawyers Service (MVLS) partnered to create a new foreclosure prevention initiative, the Foreclosure Brief Legal Advice Project (FBLA). The project was created in response to concerns of the Office of Administrative Hearings (OAH) and DHCD that many homeowners do not have legal representation at foreclosure mediations. The FBLA Project currently operates on Mondays and Wednesdays at OAH's office in Hunt Valley and provides homeowners with a brief free legal consultation with a foreclosure defense attorney. The attorneys answer questions related to foreclosure mediation and the foreclosure process and provide legal advice to homeowners.

**Housing Counselor Willie Hall of SEED, asks a question during a meeting of Civil Justice's Of Counsel Program in Prince George's County and Southern Maryland.**

# CIVIL JUSTICE PROGRAMS

## Foreclosure Recovery: On Track to Financial Health

Civil Justice's Foreclosure Recovery Program provides individuals and families with an opportunity to meet with an attorney to review outstanding legal and financial issues stemming from a foreclosure event and develop a cohesive plan to move forward. Participants receive a free, 90-minute consultation with a Foreclosure Recovery panel attorney. During the session, the attorney will review credit reports, legal notices, and budgets and discuss an action plan that will guide the individual toward financial recovery.

## Low Bono Foreclosure Mediation

Civil Justice provides critical legal services to Maryland homeowners facing foreclosure through its Low Bono Foreclosure Mediation Program. Since the summer of 2010, shortly after mediations became available for homeowners in foreclosure, the program has assisted hundreds of low and moderate income homeowners who do not qualify for pro bono (free) representation in foreclosure mediations, but can afford to pay a reduced fee to an attorney for representation.

## Of Counsel Panels for Housing Counselors

Civil Justice's Of Counsel Panel Program is an in-person and online legal resource for housing counselors throughout the state of Maryland. Housing counselors are often the first line of defense and assistance for homeowners facing foreclosure and play a vital role in foreclosure prevention efforts. The Of Counsel Panel Program brings Civil Justice Network attorneys to in-person roundtable meetings with housing counselors, and maintains listservs monitored by Network attorneys and Civil Justice staff where housing counselors can post questions and receive advice.

Ms. M purchased a used car from a dealer in Baltimore City that misrepresented to her that it had arranged for the financing for the vehicle. When the dealer failed to secure financing, the dealer repossessed the vehicle, kept Ms. M's down payment, and then sued her for thousands of dollars. Civil Justice was able to get the dealer's lawsuit against Ms. M dismissed, saving her from a potential judgment and wage garnishment. In addition, Civil Justice filed a lawsuit against the dealer for its misconduct and obtained a favorable settlement for Ms. M, which helped her to recover financially from the illegal acts of the dealer.

### Assistance Provided in 2014

- Homeowners assisted with foreclosure defense: 1202
- Consultations with Housing Counselors: 1758
- Clients referred to Civil Justice Network Attorneys: 2226

# CIVIL JUSTICE PROGRAMS

Ms. B, a hearing impaired homeowner in Frederick County, fell behind on her mortgage after her hours were cut at work, reducing her income. Civil Justice represented Ms. B at a foreclosure mediation and when the lender failed to call-in for the mediation, successfully argued that the lender should be found in default. Civil Justice continued to work with the homeowner and the lender to find a sustainable home retention solution. After several loan modification denials, Ms. B was offered a workable loan modification, which allowed her to stay in her home.

## Public Interest Litigation

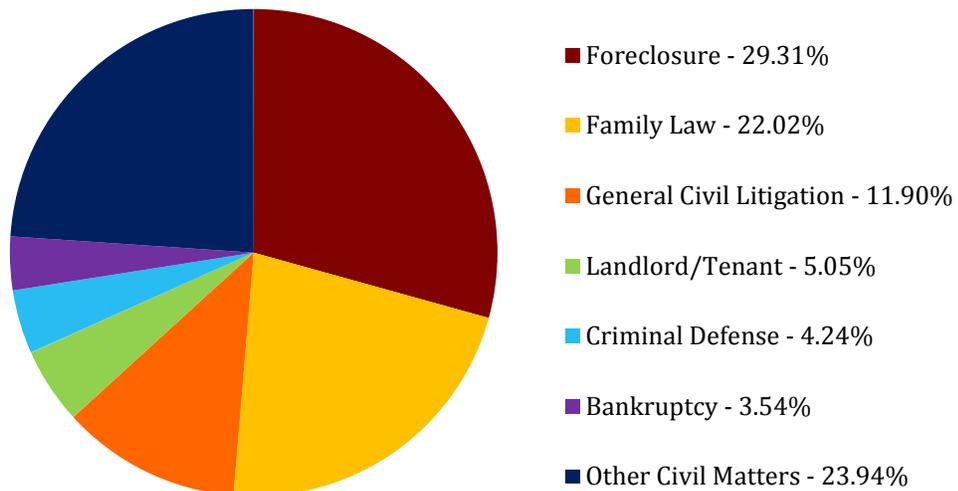
Civil Justice undertakes litigation on behalf of Maryland consumers with legal issues that have broad public impact. Those cases involve mortgage servicing, predatory lending, foreclosure practices, automobile fraud, and other consumer protection issues. Civil Justice files individual and class cases, co-counsels with Civil Justice Network members, and files amicus briefs in important consumer impact litigation.

## Student Loan Borrower Protection Project

In 2014, Civil Justice launched a program that provides free legal advice and assistance to low and moderate income student loan borrowers in Baltimore City. The project focuses on helping borrowers who are entitled to a discharge of their federal student loans, such as cases where a school failed to pay a refund owed to the borrower or the school closed while the borrower was still enrolled. It also provides assistance with a range of other student loan issues, including representing borrowers in lawsuits by schools to recover tuition debt and assisting federal student loan borrowers to get out of default and into affordable repayment plans.

## Areas of Legal Need

The following chart shows the areas of legal need of the 4,201 individuals who contact Civil Justice for assistance in 2014:



# SWEET SIXTEEN ANNIVERSARY CELEBRATION

Civil Justice celebrated sixteen years of dedication to increasing access to legal services for individuals of low and moderate income at a “Sweet Sixteen” Anniversary Celebration on June 18, 2014. The event recognized the longstanding efforts of Civil Justice Network attorneys who have strived to fill the justice gap in Maryland by providing legal services to Maryland individuals who cannot afford high-cost legal fees, but do not typically qualify for pro bono assistance.

At the event, Civil Justice honored Melanie Murray Mfume with our “Civil Justice Network Member of the Year” award for her tireless work representing homeowners facing foreclosure. This award is presented to the Civil Justice Network Attorney who exemplifies the dedication and commitment of Civil Justice Network Member attorneys to increasing access to justice for low and moderate income individuals, while supporting and mentoring other solo and small firm practitioners. Melanie provided outstanding services to clients as part of Civil Justice’s Low Bono Mediation and Foreclosure Recovery Programs, and helped to train over one hundred attorneys in foreclosure law.



**Opening remarks by Executive Director Cheryl Hystad**



**Civil Justice Network Member of the Year, Melanie Murray Mfume (center) and family**



**Guests celebrating Civil Justice's Sweet Sixteen Anniversary**

# FINANCIAL STATEMENTS\*

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 2014

### Assets

|                           |           |                         |
|---------------------------|-----------|-------------------------|
| Cash and cash equivalents | \$        | 681,440                 |
| Client trust fund escrow  |           | 32,482                  |
| Investments               |           | 277,697                 |
| Grant receivable          |           | -                       |
| Accounts receivable       |           | -                       |
| Prepaid and other assets  |           | <u>17,939</u>           |
| <b>Total assets</b>       | <b>\$</b> | <b><u>1,009,558</u></b> |

### Liabilities and Net Assets

|                                       |    |               |
|---------------------------------------|----|---------------|
| Accounts payable and accrued expenses | \$ | 29,689        |
| Deferred income                       |    | 405,913       |
| Client trust fund payable             |    | <u>31,482</u> |

**Total Liabilities** \$ 467,084

|                                   |  |               |
|-----------------------------------|--|---------------|
| Unrestricted net assets           |  | 490,462       |
| Temporarily restricted net assets |  | <u>52,012</u> |

**Total net assets** 542,474

**Total liabilities and net assets** \$ 1,009,558

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2014

### Revenues, gains and other support

|   |    |              |
|---|----|--------------|
| Grants, program revenues and contributions      | \$ | 631,987      |
| Special event revenue                           |    | 6,300        |
| Dividends and interest                          |    | 7,426        |
| Net realized and unrealized gain on investments |    | <u>2,037</u> |

**Total revenues, gains and other support** \$ 647,750

### Expenses

### Changes in net assets

### Net assets – beginning of year

### Net assets – end of year

|                   |
|-------------------|
| <u>675,427</u>    |
| (27,677)          |
| <u>570,151</u>    |
| <u>\$ 542,474</u> |

\*This is a summary of the audited financial statements of Civil Justice, Inc. The complete financial statements are available upon request.

# BOARD OF DIRECTORS AND STAFF

## 2014 Board of Directors

Stacey Andersen, Esq.

*Stacey Andersen, LLC*

William Blackford, Esq.

*Blackford & Flohr, LLC*

Thomas Gill, Esq.

*Law Office of Thomas G. Gill, P.A.*

Ronald Jackson, Esq.

*Law Office of Ronald P. Jackson, L.C.*

Ann Burke Lloyd, Esq.

*University of Maryland School of Law*

Ellery "Rick" Miller

*Citizens Law Related Education Program*

Leslie Pladna, Esq.

*Leslie A. Pladna & Associates, P.A.*

Bonnie Sullivan, Esq.

*Maryland Volunteer Lawyers Service*

Stephen Ball, Esq.

*Stephen D. Ball, Attorney at Law*

Christopher Flohr, Esq.

*Blackford & Flohr, LLC*

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*The Holland Law Firm, PC*

Wilhelm Joseph, Esq.

*Legal Aid Bureau, Inc.*

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*University of Maryland School of Law*

Margaret Murphy, Esq.

*Penn. Dept. of Environmental Protection*

Jane Santoni, Esq.

*Williams & Santoni, LLP*

Gerald Walsh, Esq.

*Gerald R. Walsh, PA*

## 2014 Civil Justice Staff

Cheryl Hystad

*Executive Director*

Carrie McCully

*Director of Operations and Programs*

Catherine Gonzalez

*Attorney/OSI Baltimore Community Fellow*

Brenda Badger

*Foreclosure Intake and Outreach Specialist*

Joseph Mack

*Deputy Director*

Avy Mallik

*Foreclosure Program Attorney*

Hope Rubin

*Foreclosure Intake and Outreach Specialist*

Tamia Jackson

*Administrative Assistant*



**Avy Mallik, Brenda Badger, Carrie McCully, Cheryl Hystad, Catherine Gonzalez, Tamia Jackson and Joseph Mack**



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