



John Allison <jrallison27@gmail.com>

Claim by Jacob Patterson Against MCHCD

John Allison <jrallison27@gmail.com>

Sun, Jul 10, 2022 at 5:06 PM

To: jgrinberg@mcdh.org, amccolley@mcdh.org, ndevall@mcdh.org, jredding@mcdh.org, sspring@mcdh.org

Dear Members of the Mendocino Coast Healthcare District Board:

This is a follow up to my email and letter of July 5, 2022 regarding Jacob Patterson's claim for unpaid legal fees.

On Thursday July 7 I received copies of all Jacob Patterson invoices for legal services pursuant to my February 28 records request, with the exception of the invoice for January 2022. What transpired is now clear.

On June 10, 2021 the Board decided to retain Jacob Patterson's law firm as legal counsel, subject to working out the terms of a contract. On the next day, June 11, Jacob Patterson started performing legal services for the District.

Between June 11 and June 30, 2021 Jacob Patterson, through his law firm, performed 12.7 hours of legal services for the District. In July, he performed 4.6 hours of legal services for the District. In August, through August 26, 2021, he performed 9.3 hours of legal services for the District.

Also, between July 8 and August 24, 2021 Jacob Patterson, through his law firm, performed a total of 14.1 hours of non-legal consulting services for the District.

The proposed contract that was contemplated on June 10 was presented to the Board and considered in open session on August 26, 2021. That proposed contract, negotiated by one or two District Board members with Jacob Patterson, was presumably agreeable to the District negotiator(s) and to Jacob Patterson. It was a proposed contract between the District and the Law Office of Jacob R. Patterson as an independent contractor (and not as an employee of the District). The proposed contract provided for a flat fee of \$3,000 per month for up to 12 hours of legal services. More than 12 hours of professional services in a month would be charged at \$300 per hour for legal services and \$150 per hour for non-legal consulting services. I have seen nothing to indicate that the flat fee of \$3,000 per month was ever billed or paid.

At its August 26, 2021 meeting, in open session, the Board voted against approving the proposed contract hiring Jacob Patterson's law firm to provide legal services for the District. Once the Board made that decision, it became the duty of each Board member to support and implement the decision. That duty is fundamental to a person's obligations as a member of a Board.

Jacob Patterson must have been aware of the Board's decision because he did not provide any more legal services for the District in August after August 26. He also did not provide any more non-legal consulting services for the District in 2021 after August 24.

In September, he billed the District for 0.2 hour (12 minutes) of legal services on September 10 and 0.1 hour (6 minutes) of legal services on September 23. He did not bill the District for any legal services performed during the month of October 2021. By that time it became clear that Jacob Patterson was no longer representing the District as legal counsel.

After October 2021, Jacob Patterson billed the District 0.3 hour (18 minutes) for a phone call on November 7 and 0.1 hour (6 minutes) on December 7.

Then, upon Amy McColley's election as Board Chair, Jacob Patterson resumed performing legal work for the District, billing for 9.7 hours of legal services from December 16 through December 31, 2021. As previously mentioned, I do not have a copy of Jacob Patterson's invoice for January 2022. He billed the District for 18 hours

of legal services and 0.9 hour of non-legal consulting services in February 2022, and for 19.1 hours of legal services and 0.5 hour of non-legal consulting services in March 2022.

It is important to note that Amy McColley did not simply ignore Article 2 Section 12 of the District's Bylaws which clearly provides that *only the Board* can retain legal counsel and set legal counsel's compensation. Instead, *she acted contrary to the Board's decision on August 26, 2021 to reject a proposed contract with Jacob Patterson's law firm for legal services*. That is a clear abuse of her authority and a violation of her fundamental duties as a member of the Board.

For his legal services and non-legal consulting services performed in 2021, Jacob Patterson submitted an invoice from the Law Office of Jacob R. Patterson on January 24, 2022, billing his legal services at \$350 per hour. That hourly rate is higher than the \$300 hourly rate specified in the proposed contract that was rejected by the Board on August 26, 2021. In February 2022 Amy McColley, without Board approval, authorized payment of that invoice and the invoice for January 2022, in the total amount of \$19,346.82 for both invoices. That amount was paid to, and received by, the Law Office of Jacob R. Patterson.

Section 6148 of the Business and Professions Code requires attorney fee agreements to be in writing. The Law Office of Jacob R. Patterson never had a written fee agreement with the District. Under these circumstances, the Law Office of Jacob R. Patterson is "entitled to collect a reasonable fee" for professional services duly authorized by the Board. See Business and Professions Code Section 6148(3)(c).

Between June 11, 2021 and August 31, 2021 Jacob Patterson, through his law firm, performed 26.6 hours of legal services and 14.1 hours of non-legal consulting services for the District. Based on the hourly rates set forth in the proposed contract, a reasonable fee would be \$7,980 for legal services (26.6 hours at \$300 per hour) and \$2,115 for non-legal consulting services (14.1 hours at \$150 per hour). He would also be entitled to recover \$71.82 for reimbursable costs. These amounts add up to \$10,166.82, which is \$9,180 less than the amount already paid to his law firm by the District.

Please consider this to be a formal request for the following actions by the Board on behalf of the Mendocino Coast Healthcare District:

1. Take immediate steps to recover the \$9,180 overpayment from the Law Office of Jacob R. Patterson or from Director Amy McColley, taking legal action if that becomes necessary. This overpayment should not be borne by the District and its taxpayers.
2. Refuse to pay any invoices for legal services performed by Jacob Patterson after August 2021 because such services were performed contrary to the Board's August 26, 2021 decision. If any such invoices are paid, they should be paid by Director Amy McColley.

Thank you for your consideration.

Sincerely,

John Allison

jrallison27@gmail.com
707.357.3732

[Quoted text hidden]