

The importance of economics

By Niall McCarthy, CAOC President



We all have probably had occasion to take an economics course in college. Some of us may have even earned a decent grade. But econ wiz or not, I trust that every trial lawyer knows their math. So here's some basic arithmetic that will have an impact on your practice and your clients' legal rights. First, let's mull the big numbers that shape our state Legislature. Right now, the Democrats in both houses are close to seizing a two-thirds supermajority. That is the tipping point to potentially gain approval for new revenue sources to fund state services that are important to us all, chief among them our courts. The justice system has been hit hard for several years now, enduring budget cuts topping \$1 billion since 2008. That fiscal death spiral needs to be stopped. New revenue is important to that equation.

Second, consider the calculus of corporate-backed lawmakers battling against us in the tort wars of Sacramento. The bottom line is that the Republican minority has for years allied with a cadre of corporatist Democrats to fight Consumer Attorney of California efforts in the state Capitol on issues like fixing Howell, Concepcion and MICRA. We need to help

consumer-friendly candidates seize as many of those hostile-held seats as possible.

Third, let's look at the simple arithmetic of CAOC's success during Election 2012. Along with our regional TLA partners, CAOC targeted 14 races. Candidates we supported won 13 of them. If our organization was a major leaguer, we most certainly would be going to the All Star game with our .929 batting average. The highlights were big primary victories by Cristina Garcia in Assembly District 58 and Betsy Butler in AD 50. Fran Pavley ran strong in Senate District 27 and Hannah-Beth Jackson won big in SD 19. A race to watch closely heading into the November General Election will be in the Inland Empire, where we are backing Richard Roth, a retired Air Force general who has practiced labor and employment law.

That leads me to my fourth bit of math: The need for all trial lawyers in the state of California to step up big and support CAOC's candidates and causes. Most folks did a great job of opening their checkbooks during the run-up to the June primary. Now even more trial lawyers need to show their support heading into the November election. We absolutely need to prevail in these tight races that will dictate the shape of the Legislature – such as those of Pavley and Jackson and Roth, who all face serious General Election challenges. We have good candidates. Now they need our backing. That means every trial lawyer, whether a member of CAOC or CAALA or any other organization, needs to invest in the future of the civil justice system by supporting these candidates and causes.

Our causes? I can think of none bigger heading into November than Gov. Jerry Brown's tax initiative. His plan is premised on the sort of reasoned commitment to the

good of our state that undergirded John Kennedy's call to the nation in his 1961 inaugural address: "Ask not what your country can do for you – ask what you can do for your country." Our state's bedrock institutions need funding help. To accomplish that, Brown is proposing to boost the sales tax by a quarter-cent and hike income tax rates on a sliding scale between 1% and 2% on incomes of \$250,000 or more.

I personally have no hesitation about giving a donation to help the governor's initiative campaign – or about paying more in taxes if the ballot measure passes. Do the math and you'll see that Jerry isn't asking much. That extra quarter percent sales tax boost will amount to less than 7 cents a day on average for the typical California adult. As for the income tax boost, for folks making \$250,000 it equates to paying an extra \$6.85 a day – not much more than you probably spend each morning at Starbucks.

The alternative to doing the right thing in November for our candidates and causes is intolerable. If we don't send the best candidates to Sacramento and if the governor's tax initiative falls short, we'll be left with nothing but bad news. We will see our court system flattened like never before. More cuts will come raining down, more courtrooms will close and justice will grind nearly to a halt. In sharp contrast, if those races fall the right way, funding for our courts and support for our legal causes will be better than we've seen in years.

To me, the choice is simple as 1 + 1. ■

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