Certified Professional Guardian Board
Additional Materials

Certified Professional Guardianship Board - Additional Materials

The following materials may not be discussed during the Board meeting; however, they are provided to keep the Board and the public informed of recent case law relating to regulatory boards and guardianship.

I. NORTH CAROLINA STATE BD. OF DENTAL EXAMINERS *vs.* FTC (page 5)

The Court holds that a state board on which a controlling number of decision-makers are active market participants in the occupation the board regulates must satisfy *Midcal*'s active supervision requirement.

Excerpts from the decision

"A non-sovereign actor controlled by active market participants—such as the Board—enjoys *Parker* immunity only if it satisfies two requirements: "first that 'the challenged restraint . . . be one clearly articulated and affirmatively expressed as state policy,' and second that 'the policy . . . be actively supervised by the State.'" *FTC* v. *Phoebe Putney Health System, Inc.*, 568 U. S. ___, ___ (2013) (slip op., at 7) (quoting *California Retail Liquor Dealers Assn.* v*. Midcal Aluminum, Inc.,* 445 U. S. 97, 105 (1980)).

"Midcal's supervision rule "stems from the recognition that '[w]here a private party is engaging in anticompetitive activity, there is a real danger that he is acting to further his own interests, rather than the governmental interests of the State.'" *Patrick*, *supra*, at 100. Concern about the private incentives of active market participants animates *Midcal*'s supervision mandate, which demands "realistic assurance that a private party's anticompetitive conduct promotes state policy, rather than merely the party's individual interests." *Patrick*, *supra*, at 101.

Why is this important to the Certified Professional Guardianship Board?

This decision applies to the regulatory activities of the Certified Professional Guardianship Board. It articulates the need to restrict the number of active market participants (professional guardians) serving on the Board and the need for state supervision (Washington State Supreme Court).

II. ANDERSON vs. DUSSAULT (Page 41)

Washington State Supreme court holds that because Rachel (the person under guardianship) was not represented by a guardian ad litem when the court approved the trust's annual accountings, she did not have notice of these proceedings and accordingly can now bring a breach of trust action under TEDRA.

Why is this important to the Certified Professional Guardianship Board?

This decision is applicable to guardianship accountings and reports. It appears to stand for the belief that accountings and reports that are not reviewed and approved by a guardian ad litem are not final and may be contested.

III. IN THE MATTER OF LORI PETERSEN, CPG (Page 62)

The Board petitioned the Court to affirm:

1) The Board's sanction against petitioner Lori A. Petersen of a one-year suspension as proportional;
2) The Board's recommendations for the remedy of monitoring for 24-months following the end of the suspension at Petitioner's expense; and
3) The Board's recommendation that Petitioner pay costs to the Board in the amount of $7,500.

Through her attorney Ms. Petersen petitioned the court for the following:

1) Ms. Petersen should receive a letter of admonishment or letter of reprimand; or

2) Ms. Petersen should receive a one-year suspension with credit for what a defacto 19 month suspension, which should result in Ms. Petersen keeping her Certified Professional Guardian license and being allowed to continue to practice as a Certified Professional Guardian without interruption.

In response to Ms. Petersen's request, the Clerk of the Supreme Court stated the following:

"We received your letter dated February 17, 2015 with enclosed finding of fact etc. The letter and enclosure have been placed in the file without further action because this is not a trial court. No formal action will be taken on the findings, etc. Once this Court has reached a decision in the matter it will utilize the appropriate standard order."

North Carolina Dental Board

Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Timber & Lumber Co.,* 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

Syllabus

NORTH CAROLINA STATE BOARD OF DENTAL EXAMINERS *v.* FEDERAL TRADE COMMISSION

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

No. 13–534. Argued October 14, 2014—Decided February 25, 2015

North Carolina's Dental Practice Act (Act) provides that the North Carolina State Board of Dental Examiners (Board) is "the agency of the State for the regulation of the practice of dentistry." The Board's principal duty is to create, administer, and enforce a licensing system for dentists; and six of its eight members must be licensed, practicing dentists.

The Act does not specify that teeth whitening is "the practice of dentistry." Nonetheless, after dentists complained to the Board that nondentists were charging lower prices for such services than dentists did, the Board issued at least 47 official cease-and-desist letters to nondentist teeth whitening service providers and product manufacturers, often warning that the unlicensed practice of dentistry is a crime. This and other related Board actions led nondentists to cease offering teeth whitening services in North Carolina.

The Federal Trade Commission (FTC) filed an administrative complaint, alleging that the Board's concerted action to exclude nondentists from the market for teeth whitening services in North Carolina constituted an anticompetitive and unfair method of competition under the Federal Trade Commission Act. An Administrative Law Judge (ALJ) denied the Board's motion to dismiss on the ground of state-action immunity. The FTC sustained that ruling, reasoning that even if the Board had acted pursuant to a clearly articulated state policy to displace competition, the Board must be actively supervised by the State to claim immunity, which it was not. After a hearing on the merits, the ALJ determined that the Board had unreasonably restrained trade in violation of antitrust law. The FTC again sustained the ALJ, and the Fourth Circuit affirmed the FTC in

all respects.

Held: Because a controlling number of the Board's decisionmakers are active market participants in the occupation the Board regulates, the Board can invoke state-action antitrust immunity only if it was subject to active supervision by the State, and here that requirement is not met. Pp. 5–18.

(a) Federal antitrust law is a central safeguard for the Nation's free market structures. However, requiring States to conform to the mandates of the Sherman Act at the expense of other values a State may deem fundamental would impose an impermissible burden on the States' power to regulate. Therefore, beginning with *Parker* v. *Brown*, 317 U. S. 341, this Court interpreted the antitrust laws to confer immunity on the anticompetitive conduct of States acting in their sovereign capacity. Pp. 5–6.

(b) The Board's actions are not cloaked with *Parker* immunity. A nonsovereign actor controlled by active market participants—such as the Board—enjoys *Parker* immunity only if "'the challenged restraint . . . [is] clearly articulated and affirmatively expressed as state policy,' and . . . 'the policy . . . [is] actively supervised by the State.'" *FTC* v. *Phoebe Putney Health System, Inc.*, 568 U. S. ___, ___ (quoting *California Retail Liquor Dealers Assn.* v. *Midcal Aluminum, Inc.,* 445 U. S. 97, 105). Here, the Board did not receive active supervision of its anticompetitive conduct. Pp. 6–17.

(1) An entity may not invoke *Parker* immunity unless its actions are an exercise of the State's sovereign power. See *Columbia* v. *Omni Outdoor Advertising, Inc.*, 499 U. S. 365, 374. Thus, where a State delegates control over a market to a nonsovereign actor the Sherman Act confers immunity only if the State accepts political accountability for the anticompetitive conduct it permits and controls. Limits on state-action immunity are most essential when a State seeks to delegate its regulatory power to active market participants, for dual allegiances are not always apparent to an actor and prohibitions against anticompetitive self-regulation by active market participants are an axiom of federal antitrust policy. Accordingly, *Parker* immunity requires that the anticompetitive conduct of nonsovereign actors, especially those authorized by the State to regulate their own profession, result from procedures that suffice to make it the State's own. *Midcal*'s two-part test provides a proper analytical framework to resolve the ultimate question whether an anticompetitive policy is indeed the policy of a State. The first requirement—clear articulation—rarely will achieve that goal by itself, for entities purporting to act under state authority might diverge from the State's considered definition of the public good and engage in private self-dealing. The second *Midcal* requirement—active supervision—seeks to avoid this

harm by requiring the State to review and approve interstitial policies made by the entity claiming immunity. Pp. 6–10.

(2) There are instances in which an actor can be excused from *Midcal*'s active supervision requirement. Municipalities, which are electorally accountable, have general regulatory powers, and have no private price-fixing agenda, are subject exclusively to the clear articulation requirement. See *Hallie* v. *Eau Claire*, 471 U. S. 34, 35. That *Hallie* excused municipalities from *Midcal*'s supervision rule for these reasons, however, all but confirms the rule's applicability to actors controlled by active market participants. Further, in light of *Omni*'s holding that an otherwise immune entity will not lose immunity based on ad hoc and *ex post* questioning of its motives for making particular decisions, 499 U. S., at 374, it is all the more necessary to ensure the conditions for granting immunity are met in the first place, see *FTC* v. *Ticor Title Ins. Co.*, 504 U. S. 621, 633, and *Phoebe Putney, supra,* at ___. The clear lesson of precedent is that *Midcal*'s active supervision test is an essential prerequisite of *Parker* immunity for any nonsovereign entity—public or private—controlled by active market participants. Pp. 10–12.

(3) The Board's argument that entities designated by the States as agencies are exempt from *Midcal*'s second requirement cannot be reconciled with the Court's repeated conclusion that the need for supervision turns not on the formal designation given by States to regulators but on the risk that active market participants will pursue private interests in restraining trade. State agencies controlled by active market participants pose the very risk of self-dealing *Midcal*'s supervision requirement was created to address. See *Goldfarb* v. *Virginia State Bar*, 421 U. S. 773, 791. This conclusion does not question the good faith of state officers but rather is an assessment of the structural risk of market participants' confusing their own interests with the State's policy goals. While *Hallie* stated "it is likely that active state supervision would also not be required" for agencies, 471 U. S., at 46, n. 10, the entity there was more like prototypical state agencies, not specialized boards dominated by active market participants. The latter are similar to private trade associations vested by States with regulatory authority, which must satisfy *Midcal*'s active supervision standard. 445 U. S., at 105–106. The similarities between agencies controlled by active market participants and such associations are not eliminated simply because the former are given a formal designation by the State, vested with a measure of government power, and required to follow some procedural rules. See *Hallie*, *supra*, at 39. When a State empowers a group of active market participants to decide who can participate in its market, and on what terms, the need for supervision is manifest. Thus,

the Court holds today that a state board on which a controlling number of decisionmakers are active market participants in the occupation the board regulates must satisfy *Midcal*'s active supervision requirement in order to invoke state-action antitrust immunity. Pp. 12–14.

(4) The State argues that allowing this FTC order to stand will discourage dedicated citizens from serving on state agencies that regulate their own occupation. But this holding is not inconsistent with the idea that those who pursue a calling must embrace ethical standards that derive from a duty separate from the dictates of the State. Further, this case does not offer occasion to address the question whether agency officials, including board members, may, under some circumstances, enjoy immunity from damages liability. Of course, States may provide for the defense and indemnification of agency members in the event of litigation, and they can also ensure *Parker* immunity is available by adopting clear policies to displace competition and providing active supervision. Arguments against the wisdom of applying the antitrust laws to professional regulation absent compliance with the prerequisites for invoking *Parker* immunity must be rejected, see *Patrick* v. *Burget*, 486 U. S. 94, 105–106, particularly in light of the risks licensing boards dominated by market participants may pose to the free market. Pp. 14–16.

(5) The Board does not contend in this Court that its anticompetitive conduct was actively supervised by the State or that it should receive *Parker* immunity on that basis. The Act delegates control over the practice of dentistry to the Board, but says nothing about teeth whitening. In acting to expel the dentists' competitors from the market, the Board relied on cease-and-desist letters threatening criminal liability, instead of other powers at its disposal that would have invoked oversight by a politically accountable official. Whether or not the Board exceeded its powers under North Carolina law, there is no evidence of any decision by the State to initiate or concur with the Board's actions against the nondentists. P. 17.

(c) Here, where there are no specific supervisory systems to be reviewed, it suffices to note that the inquiry regarding active supervision is flexible and context-dependent. The question is whether the State's review mechanisms provide "realistic assurance" that a nonsovereign actor's anticompetitive conduct "promotes state policy, rather than merely the party's individual interests." *Patrick*, 486 U. S., 100–101. The Court has identified only a few constant requirements of active supervision: The supervisor must review the substance of the anticompetitive decision, see *id.*, at 102–103; the supervisor must have the power to veto or modify particular decisions to ensure they accord with state policy, see *ibid.*; and the "mere potential for state

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supervision is not an adequate substitute for a decision by the State," *Ticor*, *supra*, at 638. Further, the state supervisor may not itself be an active market participant. In general, however, the adequacy of supervision otherwise will depend on all the circumstances of a case. Pp. 17–18.

717 F. 3d 359, affirmed.

KENNEDY, J., delivered the opinion of the Court, in which ROBERTS, C. J., and GINSBURG, BREYER, SOTOMAYOR, and KAGAN, JJ., joined. ALITO, J., filed a dissenting opinion, in which SCALIA and THOMAS, JJ., joined.

SUPREME COURT OF THE UNITED STATES

No. 13–534

NORTH CAROLINA STATE BOARD OF DENTAL EXAMINERS, PETITIONER *v.* FEDERAL TRADE COMMISSION

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

[February 25, 2015]

JUSTICE KENNEDY delivered the opinion of the Court.

This case arises from an antitrust challenge to the actions of a state regulatory board. A majority of the board's members are engaged in the active practice of the profession it regulates. The question is whether the board's actions are protected from Sherman Act regulation under the doctrine of state-action antitrust immunity, as defined and applied in this Court's decisions beginning with *Parker* v. *Brown*, 317 U. S. 341 (1943).

I

A

In its Dental Practice Act (Act), North Carolina has declared the practice of dentistry to be a matter of public concern requiring regulation. N. C. Gen. Stat. Ann. §90–22(a) (2013). Under the Act, the North Carolina State Board of Dental Examiners (Board) is "the agency of the State for the regulation of the practice of dentistry." §90–22(b).

The Board's principal duty is to create, administer, and enforce a licensing system for dentists. See §§90–29 to

90–41. To perform that function it has broad authority over licensees. See §90–41. The Board's authority with respect to unlicensed persons, however, is more restricted: like "any resident citizen," the Board may file suit to "perpetually enjoin any person from . . . unlawfully practicing dentistry." §90–40.1.

The Act provides that six of the Board's eight members must be licensed dentists engaged in the active practice of dentistry. §90–22. They are elected by other licensed dentists in North Carolina, who cast their ballots in elections conducted by the Board. *Ibid.* The seventh member must be a licensed and practicing dental hygienist, and he or she is elected by other licensed hygienists. *Ibid.* The final member is referred to by the Act as a "consumer" and is appointed by the Governor. *Ibid.* All members serve 3-year terms, and no person may serve more than two consecutive terms. *Ibid.* The Act does not create any mechanism for the removal of an elected member of the Board by a public official. See *ibid.*

Board members swear an oath of office, §138A–22(a), and the Board must comply with the State's Administrative Procedure Act, §150B–1 *et seq.*, Public Records Act, §132–1 *et seq.*, and open-meetings law, §143–318.9 *et seq.* The Board may promulgate rules and regulations governing the practice of dentistry within the State, provided those mandates are not inconsistent with the Act and are approved by the North Carolina Rules Review Commission, whose members are appointed by the state legislature. See §§90–48, 143B–30.1, 150B–21.9(a).

B

In the 1990's, dentists in North Carolina started whitening teeth. Many of those who did so, including 8 of the Board's 10 members during the period at issue in this case, earned substantial fees for that service. By 2003, nondentists arrived on the scene. They charged lower

prices for their services than the dentists did. Dentists soon began to complain to the Board about their new competitors. Few complaints warned of possible harm to consumers. Most expressed a principal concern with the low prices charged by nondentists.

Responding to these filings, the Board opened an investigation into nondentist teeth whitening. A dentist member was placed in charge of the inquiry. Neither the Board's hygienist member nor its consumer member participated in this undertaking. The Board's chief operations officer remarked that the Board was "going forth to do battle" with nondentists. App. to Pet. for Cert. 103a. The Board's concern did not result in a formal rule or regulation reviewable by the independent Rules Review Commission, even though the Act does not, by its terms, specify that teeth whitening is "the practice of dentistry."

Starting in 2006, the Board issued at least 47 cease-and-desist letters on its official letterhead to nondentist teeth whitening service providers and product manufacturers. Many of those letters directed the recipient to cease "all activity constituting the practice of dentistry"; warned that the unlicensed practice of dentistry is a crime; and strongly implied (or expressly stated) that teeth whitening constitutes "the practice of dentistry." App. 13, 15. In early 2007, the Board persuaded the North Carolina Board of Cosmetic Art Examiners to warn cosmetologists against providing teeth whitening services. Later that year, the Board sent letters to mall operators, stating that kiosk teeth whiteners were violating the Dental Practice Act and advising that the malls consider expelling violators from their premises.

These actions had the intended result. Nondentists ceased offering teeth whitening services in North Carolina.

C

In 2010, the Federal Trade Commission (FTC) filed an

administrative complaint charging the Board with violating §5 of the Federal Trade Commission Act, 38 Stat. 719, as amended, 15 U. S. C. §45. The FTC alleged that the Board's concerted action to exclude nondentists from the market for teeth whitening services in North Carolina constituted an anticompetitive and unfair method of competition. The Board moved to dismiss, alleging state-action immunity. An Administrative Law Judge (ALJ) denied the motion. On appeal, the FTC sustained the ALJ's ruling. It reasoned that, even assuming the Board had acted pursuant to a clearly articulated state policy to displace competition, the Board is a "public/private hybrid" that must be actively supervised by the State to claim immunity. App. to Pet. for Cert. 49a. The FTC further concluded the Board could not make that showing.

Following other proceedings not relevant here, the ALJ conducted a hearing on the merits and determined the Board had unreasonably restrained trade in violation of antitrust law. On appeal, the FTC again sustained the ALJ. The FTC rejected the Board's public safety justification, noting, *inter alia*, "a wealth of evidence . . . suggesting that non-dentist provided teeth whitening is a safe cosmetic procedure." *Id.,* at 123a.

The FTC ordered the Board to stop sending the cease-and-desist letters or other communications that stated nondentists may not offer teeth whitening services and products. It further ordered the Board to issue notices to all earlier recipients of the Board's cease-and-desist orders advising them of the Board's proper sphere of authority and saying, among other options, that the notice recipients had a right to seek declaratory rulings in state court.

On petition for review, the Court of Appeals for the Fourth Circuit affirmed the FTC in all respects. 717 F. 3d 359, 370 (2013). This Court granted certiorari. 571 U. S. ___ (2014).

II

Federal antitrust law is a central safeguard for the Nation's free market structures. In this regard it is "as important to the preservation of economic freedom and our free-enterprise system as the Bill of Rights is to the protection of our fundamental personal freedoms." *United States* v. *Topco Associates, Inc.*, 405 U. S. 596, 610 (1972). The antitrust laws declare a considered and decisive prohibition by the Federal Government of cartels, price fixing, and other combinations or practices that undermine the free market.

The Sherman Act, 26 Stat. 209, as amended, 15 U. S. C. §1 *et seq.*, serves to promote robust competition, which in turn empowers the States and provides their citizens with opportunities to pursue their own and the public's welfare. See *FTC* v. *Ticor Title Ins. Co.*, 504 U. S. 621, 632 (1992). The States, however, when acting in their respective realm, need not adhere in all contexts to a model of unfettered competition. While "the States regulate their economies in many ways not inconsistent with the antitrust laws," *id.,* at 635–636, in some spheres they impose restrictions on occupations, confer exclusive or shared rights to dominate a market, or otherwise limit competition to achieve public objectives. If every duly enacted state law or policy were required to conform to the mandates of the Sherman Act, thus promoting competition at the expense of other values a State may deem fundamental, federal antitrust law would impose an impermissible burden on the States' power to regulate. See *Exxon Corp.* v. *Governor of Maryland*, 437 U. S. 117, 133 (1978); see also Easterbrook, Antitrust and the Economics of Federalism, 26 J. Law & Econ. 23, 24 (1983).

For these reasons, the Court in *Parker* v. *Brown* interpreted the antitrust laws to confer immunity on anticompetitive conduct by the States when acting in their sovereign capacity. See 317 U. S., at 350–351. That ruling

recognized Congress' purpose to respect the federal balance and to "embody in the Sherman Act the federalism principle that the States possess a significant measure of sovereignty under our Constitution." *Community Communications Co.* v. *Boulder*, 455 U. S. 40, 53 (1982). Since 1943, the Court has reaffirmed the importance of *Parker*'s central holding. See, *e.g., Ticor*, *supra*, at 632–637; *Hoover* v. *Ronwin*, 466 U. S. 558, 568 (1984); *Lafayette* v. *Louisiana Power & Light Co.*, 435 U. S. 389, 394–400 (1978).

III

In this case the Board argues its members were invested by North Carolina with the power of the State and that, as a result, the Board's actions are cloaked with *Parker* immunity. This argument fails, however. A nonsovereign actor controlled by active market participants—such as the Board—enjoys *Parker* immunity only if it satisfies two requirements: "first that 'the challenged restraint . . . be one clearly articulated and affirmatively expressed as state policy,' and second that 'the policy . . . be actively supervised by the State.'" *FTC* v. *Phoebe Putney Health System, Inc.*, 568 U. S. ___, ___ (2013) (slip op., at 7) (quoting *California Retail Liquor Dealers Assn.* v. *Midcal Aluminum, Inc.,* 445 U. S. 97, 105 (1980)). The parties have assumed that the clear articulation requirement is satisfied, and we do the same. While North Carolina prohibits the unauthorized practice of dentistry, however, its Act is silent on whether that broad prohibition covers teeth whitening. Here, the Board did not receive active supervision by the State when it interpreted the Act as addressing teeth whitening and when it enforced that policy by issuing cease-and-desist letters to nondentist teeth whiteners.

A

Although state-action immunity exists to avoid conflicts

between state sovereignty and the Nation's commitment to a policy of robust competition, *Parker* immunity is not unbounded. "[G]iven the fundamental national values of free enterprise and economic competition that are embodied in the federal antitrust laws, 'state action immunity is disfavored, much as are repeals by implication.'" *Phoebe Putney*, *supra*, at ___ (slip op., at 7) (quoting *Ticor*, *supra,* at 636).

An entity may not invoke *Parker* immunity unless the actions in question are an exercise of the State's sovereign power. See *Columbia* v. *Omni Outdoor Advertising, Inc.*, 499 U. S. 365, 374 (1991). State legislation and "decision[s] of a state supreme court, acting legislatively rather than judicially," will satisfy this standard, and "*ipso facto* are exempt from the operation of the antitrust laws" because they are an undoubted exercise of state sovereign authority. *Hoover*, *supra*, at 567–568.

But while the Sherman Act confers immunity on the States' own anticompetitive policies out of respect for federalism, it does not always confer immunity where, as here, a State delegates control over a market to a nonsovereign actor. See *Parker*, *supra,* at 351 ("[A] state does not give immunity to those who violate the Sherman Act by authorizing them to violate it, or by declaring that their action is lawful"). For purposes of *Parker*, a nonsovereign actor is one whose conduct does not automatically qualify as that of the sovereign State itself. See *Hoover*, *supra*, at 567–568. State agencies are not simply by their governmental character sovereign actors for purposes of state-action immunity. See *Goldfarb* v. *Virginia State Bar*, 421 U. S. 773, 791 (1975) ("The fact that the State Bar is a state agency for some limited purposes does not create an antitrust shield that allows it to foster anticompetitive practices for the benefit of its members"). Immunity for state agencies, therefore, requires more than a mere facade of state involvement, for it is necessary in light of

Parker's rationale to ensure the States accept political accountability for anticompetitive conduct they permit and control. See *Ticor*, 504 U. S., at 636.

Limits on state-action immunity are most essential when the State seeks to delegate its regulatory power to active market participants, for established ethical standards may blend with private anticompetitive motives in a way difficult even for market participants to discern. Dual allegiances are not always apparent to an actor. In consequence, active market participants cannot be allowed to regulate their own markets free from antitrust accountability. See *Midcal*, *supra*, at 106 ("The national policy in favor of competition cannot be thwarted by casting [a] gauzy cloak of state involvement over what is essentially a private price-fixing arrangement"). Indeed, prohibitions against anticompetitive self-regulation by active market participants are an axiom of federal antitrust policy. See, *e.g., Allied Tube & Conduit Corp.* v. *Indian Head, Inc.*, 486 U. S. 492, 501 (1988); *Hoover*, *supra*, at 584 (Stevens, J., dissenting) ("The risk that private regulation of market entry, prices, or output may be designed to confer monopoly profits on members of an industry at the expense of the consuming public has been the central concern of . . . our antitrust jurisprudence"); see also Elhauge, The Scope of Antitrust Process, 104 Harv. L. Rev. 667, 672 (1991). So it follows that, under *Parker* and the Supremacy Clause, the States' greater power to attain an end does not include the lesser power to negate the congressional judgment embodied in the Sherman Act through unsupervised delegations to active market participants. See Garland, Antitrust and State Action: Economic Efficiency and the Political Process, 96 Yale L. J. 486, 500 (1986).

Parker immunity requires that the anticompetitive conduct of nonsovereign actors, especially those authorized by the State to regulate their own profession, result from procedures that suffice to make it the State's own.

See *Goldfarb, supra*, at 790; see also 1A P. Areeda & H. Hovencamp, Antitrust Law ¶226, p. 180 (4th ed. 2013) (Areeda & Hovencamp). The question is not whether the challenged conduct is efficient, well-functioning, or wise. See *Ticor*, *supra*, at 634–635. Rather, it is "whether anti-competitive conduct engaged in by [nonsovereign actors] should be deemed state action and thus shielded from the antitrust laws." *Patrick* v. *Burget*, 486 U. S. 94, 100 (1988).

To answer this question, the Court applies the two-part test set forth in *California Retail Liquor Dealers Assn.* v. *Midcal Aluminum, Inc.*, 445 U. S. 97, a case arising from California's delegation of price-fixing authority to wine merchants. Under *Midcal*, "[a] state law or regulatory scheme cannot be the basis for antitrust immunity unless, first, the State has articulated a clear policy to allow the anticompetitive conduct, and second, the State provides active supervision of [the] anticompetitive conduct." *Ticor*, *supra*, at 631 (citing *Midcal*, *supra*, at 105).

Midcal's clear articulation requirement is satisfied "where the displacement of competition [is] the inherent, logical, or ordinary result of the exercise of authority delegated by the state legislature. In that scenario, the State must have foreseen and implicitly endorsed the anticompetitive effects as consistent with its policy goals." *Phoebe Putney*, 568 U. S., at ___ (slip op., at 11). The active supervision requirement demands, *inter alia*, "that state officials have and exercise power to review particular anticompetitive acts of private parties and disapprove those that fail to accord with state policy." *Patrick*, *supra*, U. S., at 101.

The two requirements set forth in *Midcal* provide a proper analytical framework to resolve the ultimate question whether an anticompetitive policy is indeed the policy of a State. The first requirement—clear articulation—rarely will achieve that goal by itself, for a policy may

satisfy this test yet still be defined at so high a level of generality as to leave open critical questions about how and to what extent the market should be regulated. See *Ticor*, *supra*, at 636–637. Entities purporting to act under state authority might diverge from the State's considered definition of the public good. The resulting asymmetry between a state policy and its implementation can invite private self-dealing. The second *Midcal* requirement—active supervision—seeks to avoid this harm by requiring the State to review and approve interstitial policies made by the entity claiming immunity.

Midcal's supervision rule "stems from the recognition that '[w]here a private party is engaging in anticompetitive activity, there is a real danger that he is acting to further his own interests, rather than the governmental interests of the State.'" *Patrick*, *supra*, at 100. Concern about the private incentives of active market participants animates *Midcal*'s supervision mandate, which demands "realistic assurance that a private party's anticompetitive conduct promotes state policy, rather than merely the party's individual interests." *Patrick*, *supra*, at 101.

B

In determining whether anticompetitive policies and conduct are indeed the action of a State in its sovereign capacity, there are instances in which an actor can be excused from *Midcal*'s active supervision requirement. In *Hallie* v. *Eau Claire*, 471 U. S. 34, 45 (1985), the Court held municipalities are subject exclusively to *Midcal*'s "'clear articulation'" requirement. That rule, the Court observed, is consistent with the objective of ensuring that the policy at issue be one enacted by the State itself. *Hallie* explained that "[w]here the actor is a municipality, there is little or no danger that it is involved in a private price-fixing arrangement. The only real danger is that it will seek to further purely parochial public interests at the

expense of more overriding state goals." 471 U. S., at 47. *Hallie* further observed that municipalities are electorally accountable and lack the kind of private incentives characteristic of active participants in the market. See *id.,* at 45, n. 9. Critically, the municipality in *Hallie* exercised a wide range of governmental powers across different economic spheres, substantially reducing the risk that it would pursue private interests while regulating any single field. See *ibid.* That *Hallie* excused municipalities from *Midcal*'s supervision rule for these reasons all but confirms the rule's applicability to actors controlled by active market participants, who ordinarily have none of the features justifying the narrow exception *Hallie* identified. See 471 U. S., at 45.

Following *Goldfarb*, *Midcal*, and *Hallie*, which clarified the conditions under which *Parker* immunity attaches to the conduct of a nonsovereign actor, the Court in *Columbia* v. *Omni Outdoor Advertising, Inc.*, 499 U. S. 365, addressed whether an otherwise immune entity could lose immunity for conspiring with private parties. In *Omni*, an aspiring billboard merchant argued that the city of Columbia, South Carolina, had violated the Sherman Act—and forfeited its *Parker* immunity—by anticompetitively conspiring with an established local company in passing an ordinance restricting new billboard construction. 499 U. S., at 367–368. The Court disagreed, holding there is no "conspiracy exception" to *Parker*. *Omni, supra*, at 374.

Omni, like the cases before it, recognized the importance of drawing a line "relevant to the purposes of the Sherman Act and of *Parker*: prohibiting the restriction of competition for private gain but permitting the restriction of competition in the public interest." 499 U. S., at 378. In the context of a municipal actor which, as in *Hallie*, exercised substantial governmental powers, *Omni* rejected a conspiracy exception for "corruption" as vague and unworkable, since "virtually all regulation benefits some

segments of the society and harms others" and may in that sense be seen as "'corrupt.'" 499 U. S., at 377. *Omni* also rejected subjective tests for corruption that would force a "deconstruction of the governmental process and probing of the official 'intent' that we have consistently sought to avoid." *Ibid.* Thus, whereas the cases preceding it addressed the preconditions of *Parker* immunity and engaged in an objective, *ex ante* inquiry into nonsovereign actors' structure and incentives, *Omni* made clear that recipients of immunity will not lose it on the basis of ad hoc and *ex post* questioning of their motives for making particular decisions.

Omni's holding makes it all the more necessary to ensure the conditions for granting immunity are met in the first place. The Court's two state-action immunity cases decided after *Omni* reinforce this point. In *Ticor* the Court affirmed that *Midcal*'s limits on delegation must ensure that "[a]ctual state involvement, not deference to private price-fixing arrangements under the general auspices of state law, is the precondition for immunity from federal law." 504 U. S., at 633. And in *Phoebe Putney* the Court observed that *Midcal*'s active supervision requirement, in particular, is an essential condition of state-action immunity when a nonsovereign actor has "an incentive to pursue [its] own self-interest under the guise of implementing state policies." 568 U. S., at ___ (slip op., at 8) (quoting *Hallie*, *supra*, at 46–47). The lesson is clear: *Midcal*'s active supervision test is an essential prerequisite of *Parker* immunity for any nonsovereign entity—public or private—controlled by active market participants.

C

The Board argues entities designated by the States as agencies are exempt from *Midcal*'s second requirement. That premise, however, cannot be reconciled with the Court's repeated conclusion that the need for supervision

turns not on the formal designation given by States to regulators but on the risk that active market participants will pursue private interests in restraining trade.

State agencies controlled by active market participants, who possess singularly strong private interests, pose the very risk of self-dealing *Midcal*'s supervision requirement was created to address. See Areeda & Hovencamp ¶227, at 226. This conclusion does not question the good faith of state officers but rather is an assessment of the structural risk of market participants' confusing their own interests with the State's policy goals. See *Patrick*, 486 U. S., at 100–101.

The Court applied this reasoning to a state agency in *Goldfarb*. There the Court denied immunity to a state agency (the Virginia State Bar) controlled by market participants (lawyers) because the agency had "joined in what is essentially a private anticompetitive activity" for "the benefit of its members." 421 U. S., at 791, 792. This emphasis on the Bar's private interests explains why *Goldfarb*, though it predates *Midcal*, considered the lack of supervision by the Virginia Supreme Court to be a principal reason for denying immunity. See 421 U. S., at 791; see also *Hoover*, 466 U. S., at 569 (emphasizing lack of active supervision in *Goldfarb*); *Bates* v. *State Bar of Ariz.*, 433 U. S. 350, 361–362 (1977) (granting the Arizona Bar state-action immunity partly because its "rules are subject to pointed re-examination by the policymaker").

While *Hallie* stated "it is likely that active state supervision would also not be required" for agencies, 471 U. S., at 46, n. 10, the entity there, as was later the case in *Omni*, was an electorally accountable municipality with general regulatory powers and no private price-fixing agenda. In that and other respects the municipality was more like prototypical state agencies, not specialized boards dominated by active market participants. In important regards, agencies controlled by market partici-

pants are more similar to private trade associations vested by States with regulatory authority than to the agencies *Hallie* considered. And as the Court observed three years after *Hallie*, "[t]here is no doubt that the members of such associations often have economic incentives to restrain competition and that the product standards set by such associations have a serious potential for anticompetitive harm." *Allied Tube*, 486 U. S., at 500. For that reason, those associations must satisfy *Midcal*'s active supervision standard. See *Midcal*, 445 U. S., at 105–106.

The similarities between agencies controlled by active market participants and private trade associations are not eliminated simply because the former are given a formal designation by the State, vested with a measure of government power, and required to follow some procedural rules. See *Hallie*, *supra*, at 39 (rejecting "purely formalistic" analysis). *Parker* immunity does not derive from nomenclature alone. When a State empowers a group of active market participants to decide who can participate in its market, and on what terms, the need for supervision is manifest. See Areeda & Hovencamp ¶227, at 226. The Court holds today that a state board on which a controlling number of decisionmakers are active market participants in the occupation the board regulates must satisfy *Midcal*'s active supervision requirement in order to invoke state-action antitrust immunity.

D

The State argues that allowing this FTC order to stand will discourage dedicated citizens from serving on state agencies that regulate their own occupation. If this were so—and, for reasons to be noted, it need not be so—there would be some cause for concern. The States have a sovereign interest in structuring their governments, see *Gregory* v. *Ashcroft*, 501 U. S. 452, 460 (1991), and may conclude there are substantial benefits to staffing their

agencies with experts in complex and technical subjects, see *Southern Motor Carriers Rate Conference, Inc.* v. *United States*, 471 U. S. 48, 64 (1985). There is, moreover, a long tradition of citizens esteemed by their professional colleagues devoting time, energy, and talent to enhancing the dignity of their calling.

Adherence to the idea that those who pursue a calling must embrace ethical standards that derive from a duty separate from the dictates of the State reaches back at least to the Hippocratic Oath. See generally S. Miles, The Hippocratic Oath and the Ethics of Medicine (2004). In the United States, there is a strong tradition of professional self-regulation, particularly with respect to the development of ethical rules. See generally R. Rotunda & J. Dzienkowski, Legal Ethics: The Lawyer's Deskbook on Professional Responsibility (2014); R. Baker, Before Bioethics: A History of American Medical Ethics From the Colonial Period to the Bioethics Revolution (2013). Dentists are no exception. The American Dental Association, for example, in an exercise of "the privilege and obligation of self-government," has "call[ed] upon dentists to follow high ethical standards," including "honesty, compassion, kindness, integrity, fairness and charity." American Dental Association, Principles of Ethics and Code of Professional Conduct 3–4 (2012). State laws and institutions are sustained by this tradition when they draw upon the expertise and commitment of professionals.

Today's holding is not inconsistent with that idea. The Board argues, however, that the potential for money damages will discourage members of regulated occupations from participating in state government. Cf. *Filarsky* v. *Delia*, 566 U. S. ___, ___ (2012) (slip op., at 12) (warning in the context of civil rights suits that the "the most talented candidates will decline public engagements if they do not receive the same immunity enjoyed by their public employee counterparts"). But this case, which does not

present a claim for money damages, does not offer occasion to address the question whether agency officials, including board members, may, under some circumstances, enjoy immunity from damages liability. See *Goldfarb*, 421 U. S., at 792, n. 22; see also Brief for Respondent 56. And, of course, the States may provide for the defense and indemnification of agency members in the event of litigation.

States, furthermore, can ensure *Parker* immunity is available to agencies by adopting clear policies to displace competition; and, if agencies controlled by active market participants interpret or enforce those policies, the States may provide active supervision. Precedent confirms this principle. The Court has rejected the argument that it would be unwise to apply the antitrust laws to professional regulation absent compliance with the prerequisites for invoking *Parker* immunity:

> "[Respondents] contend that effective peer review is essential to the provision of quality medical care and that any threat of antitrust liability will prevent physicians from participating openly and actively in peer-review proceedings. This argument, however, essentially challenges the wisdom of applying the antitrust laws to the sphere of medical care, and as such is properly directed to the legislative branch. To the extent that Congress has declined to exempt medical peer review from the reach of the antitrust laws, peer review is immune from antitrust scrutiny only if the State effectively has made this conduct its own." *Patrick*, 486 U. S. at 105–106 (footnote omitted).

The reasoning of *Patrick* v. *Burget* applies to this case with full force, particularly in light of the risks licensing boards dominated by market participants may pose to the free market. See generally Edlin & Haw, Cartels by Another Name: Should Licensed Occupations Face Antitrust Scrutiny? 162 U. Pa. L. Rev. 1093 (2014).

E

The Board does not contend in this Court that its anticompetitive conduct was actively supervised by the State or that it should receive *Parker* immunity on that basis.

By statute, North Carolina delegates control over the practice of dentistry to the Board. The Act, however, says nothing about teeth whitening, a practice that did not exist when it was passed. After receiving complaints from other dentists about the nondentists' cheaper services, the Board's dentist members—some of whom offered whitening services—acted to expel the dentists' competitors from the market. In so doing the Board relied upon cease-and-desist letters threatening criminal liability, rather than any of the powers at its disposal that would invoke oversight by a politically accountable official. With no active supervision by the State, North Carolina officials may well have been unaware that the Board had decided teeth whitening constitutes "the practice of dentistry" and sought to prohibit those who competed against dentists from participating in the teeth whitening market. Whether or not the Board exceeded its powers under North Carolina law, cf. *Omni*, 499 U. S., at 371–372, there is no evidence here of any decision by the State to initiate or concur with the Board's actions against the nondentists.

IV

The Board does not claim that the State exercised active, or indeed any, supervision over its conduct regarding nondentist teeth whiteners; and, as a result, no specific supervisory systems can be reviewed here. It suffices to note that the inquiry regarding active supervision is flexible and context-dependent. Active supervision need not entail day-to-day involvement in an agency's operations or micromanagement of its every decision. Rather, the question is whether the State's review mechanisms provide "realistic assurance" that a nonsovereign actor's anticom-

petitive conduct "promotes state policy, rather than merely the party's individual interests." *Patrick*, *supra,* at 100–101; see also *Ticor*, 504 U. S., at 639–640.

The Court has identified only a few constant requirements of active supervision: The supervisor must review the substance of the anticompetitive decision, not merely the procedures followed to produce it, see *Patrick*, 486 U. S., at 102–103; the supervisor must have the power to veto or modify particular decisions to ensure they accord with state policy, see *ibid.*; and the "mere potential for state supervision is not an adequate substitute for a decision by the State," *Ticor*, *supra*, at 638. Further, the state supervisor may not itself be an active market participant. In general, however, the adequacy of supervision otherwise will depend on all the circumstances of a case.

* * *

The Sherman Act protects competition while also respecting federalism. It does not authorize the States to abandon markets to the unsupervised control of active market participants, whether trade associations or hybrid agencies. If a State wants to rely on active market participants as regulators, it must provide active supervision if state-action immunity under *Parker* is to be invoked.

The judgment of the Court of Appeals for the Fourth Circuit is affirmed.

It is so ordered.

SUPREME COURT OF THE UNITED STATES

No. 13–534

NORTH CAROLINA STATE BOARD OF DENTAL EXAMINERS, PETITIONER *v.* FEDERAL TRADE COMMISSION

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

[February 25, 2015]

JUSTICE ALITO, with whom JUSTICE SCALIA and JUSTICE THOMAS join, dissenting.

The Court's decision in this case is based on a serious misunderstanding of the doctrine of state-action antitrust immunity that this Court recognized more than 60 years ago in *Parker* v. *Brown*, 317 U. S. 341 (1943). In *Parker*, the Court held that the Sherman Act does not prevent the States from continuing their age-old practice of enacting measures, such as licensing requirements, that are designed to protect the public health and welfare. *Id.*, at 352. The case now before us involves precisely this type of state regulation—North Carolina's laws governing the practice of dentistry, which are administered by the North Carolina Board of Dental Examiners (Board).

Today, however, the Court takes the unprecedented step of holding that *Parker* does not apply to the North Carolina Board because the Board is not structured in a way that merits a good-government seal of approval; that is, it is made up of practicing dentists who have a financial incentive to use the licensing laws to further the financial interests of the State's dentists. There is nothing new about the structure of the North Carolina Board. When the States first created medical and dental boards, well before the Sherman Act was enacted, they began to staff

them in this way.[1] Nor is there anything new about the suspicion that the North Carolina Board—in attempting to prevent persons other than dentists from performing teeth-whitening procedures—was serving the interests of dentists and not the public. Professional and occupational licensing requirements have often been used in such a way.[2] But that is not what *Parker* immunity is about. Indeed, the very state program involved in that case was unquestionably designed to benefit the regulated entities, California raisin growers.

The question before us is not whether such programs serve the public interest. The question, instead, is whether this case is controlled by *Parker*, and the answer to that question is clear. Under *Parker*, the Sherman Act (and the Federal Trade Commission Act, see *FTC* v. *Ticor Title Ins. Co.*, 504 U. S. 621, 635 (1992)) do not apply to state agencies; the North Carolina Board of Dental Examiners is a state agency; and that is the end of the matter. By straying from this simple path, the Court has not only distorted *Parker*; it has headed into a morass. Determining whether a state agency is structured in a way that militates against regulatory capture is no easy task, and there is reason to fear that today's decision will spawn confusion. The Court has veered off course, and therefore I cannot go along.

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[1] S. White, History of Oral and Dental Science in America 197–214 (1876) (detailing earliest American regulations of the practice of dentistry).

[2] See, *e.g.*, R. Shrylock, Medical Licensing in America 29 (1967) (Shrylock) (detailing the deterioration of licensing regimes in the mid-19th century, in part out of concerns about restraints on trade); Gellhorn, The Abuse of Occupational Licensing, 44 U. Chi. L. Rev. 6 (1976); Shepard, Licensing Restrictions and the Cost of Dental Care, 21 J. Law & Econ. 187 (1978).

I

In order to understand the nature of *Parker* state-action immunity, it is helpful to recall the constitutional landscape in 1890 when the Sherman Act was enacted. At that time, this Court and Congress had an understanding of the scope of federal and state power that is very different from our understanding today. The States were understood to possess the exclusive authority to regulate "their purely internal affairs." *Leisy* v. *Hardin*, 135 U. S. 100, 122 (1890). In exercising their police power in this area, the States had long enacted measures, such as price controls and licensing requirements, that had the effect of restraining trade.[3]

The Sherman Act was enacted pursuant to Congress' power to regulate interstate commerce, and in passing the Act, Congress wanted to exercise that power "to the utmost extent." *United States* v. *South-Eastern Underwriters Assn.*, 322 U. S. 533, 558 (1944). But in 1890, the understanding of the commerce power was far more limited than it is today. See, *e.g., Kidd* v. *Pearson*, 128 U. S. 1, 17–18 (1888). As a result, the Act did not pose a threat to traditional state regulatory activity.

By 1943, when *Parker* was decided, however, the situation had changed dramatically. This Court had held that the commerce power permitted Congress to regulate even local activity if it "exerts a substantial economic effect on interstate commerce." *Wickard* v. *Filburn*, 317 U. S. 111, 125 (1942). This meant that Congress could regulate many of the matters that had once been thought to fall exclusively within the jurisdiction of the States. The new interpretation of the commerce power brought about an expansion of the reach of the Sherman Act. See *Hospital*

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[3] See Handler, The Current Attack on the *Parker* v. *Brown* State Action Doctrine, 76 Colum. L. Rev. 1, 4–6 (1976) (collecting cases).

Building Co. v. *Trustees of Rex Hospital*, 425 U. S. 738, 743, n. 2 (1976) ("[D]ecisions by this Court have permitted the reach of the Sherman Act to expand along with expanding notions of congressional power"). And the expanded reach of the Sherman Act raised an important question. The Sherman Act does not expressly exempt States from its scope. Does that mean that the Act applies to the States and that it potentially outlaws many traditional state regulatory measures? The Court confronted that question in *Parker*.

In *Parker*, a raisin producer challenged the California Agricultural Prorate Act, an agricultural price support program. The California Act authorized the creation of an Agricultural Prorate Advisory Commission (Commission) to establish marketing plans for certain agricultural commodities within the State. 317 U. S., at 346–347. Raisins were among the regulated commodities, and so the Commission established a marketing program that governed many aspects of raisin sales, including the quality and quantity of raisins sold, the timing of sales, and the price at which raisins were sold. *Id.*, at 347–348. The *Parker* Court assumed that this program would have violated "the Sherman Act if it were organized and made effective solely by virtue of a contract, combination or conspiracy of private persons," and the Court also assumed that Congress could have prohibited a State from creating a program like California's if it had chosen to do so. *Id.*, at 350. Nevertheless, the Court concluded that the California program did not violate the Sherman Act because the Act did not circumscribe state regulatory power. *Id.*, at 351.

The Court's holding in *Parker* was not based on either the language of the Sherman Act or anything in the legislative history affirmatively showing that the Act was not meant to apply to the States. Instead, the Court reasoned that "[i]n a dual system of government in which, under the Constitution, the states are sovereign, save only as Con-

gress may constitutionally subtract from their authority, an unexpressed purpose to nullify a state's control over its officers and agents is not lightly to be attributed to Congress." 317 U. S., at 351. For the Congress that enacted the Sherman Act in 1890, it would have been a truly radical and almost certainly futile step to attempt to prevent the States from exercising their traditional regulatory authority, and the *Parker* Court refused to assume that the Act was meant to have such an effect.

When the basis for the *Parker* state-action doctrine is understood, the Court's error in this case is plain. In 1890, the regulation of the practice of medicine and dentistry was regarded as falling squarely within the States' sovereign police power. By that time, many States had established medical and dental boards, often staffed by doctors or dentists,[4] and had given those boards the authority to confer and revoke licenses.[5] This was quintessential police power legislation, and although state laws were often challenged during that era under the doctrine of substantive due process, the licensing of medical professionals easily survived such assaults. Just one year before the enactment of the Sherman Act, in *Dent* v. *West Virginia*, 129 U. S. 114, 128 (1889), this Court rejected such a challenge to a state law requiring all physicians to obtain a certificate from the state board of health attesting to their qualifications. And in *Hawker* v. *New York*, 170 U. S. 189, 192 (1898), the Court reiterated that a law

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[4] Shrylock 54–55; D. Johnson and H. Chaudry, Medical Licensing and Discipline in America 23–24 (2012).

[5] In *Hawker* v. *New York,* 170 U. S. 189 (1898), the Court cited state laws authorizing such boards to refuse or revoke medical licenses. *Id.*, at 191–193, n. 1. See also *Douglas* v. *Noble*, 261 U. S. 165, 166 (1923) ("In 1893 the legislature of Washington provided that only licensed persons should practice dentistry" and "vested the authority to license in a board of examiners, consisting of five practicing dentists").

specifying the qualifications to practice medicine was clearly a proper exercise of the police power. Thus, the North Carolina statutes establishing and specifying the powers of the State Board of Dental Examiners represent precisely the kind of state regulation that the *Parker* exemption was meant to immunize.

II

As noted above, the only question in this case is whether the North Carolina Board of Dental Examiners is really a state agency, and the answer to that question is clearly yes.

- The North Carolina Legislature determined that the practice of dentistry "affect[s] the public health, safety and welfare" of North Carolina's citizens and that therefore the profession should be "subject to regulation and control in the public interest" in order to ensure "that only qualified persons be permitted to practice dentistry in the State." N. C. Gen. Stat. Ann. §90–22(a) (2013).
- To further that end, the legislature created the North Carolina State Board of Dental Examiners "as the agency of the State for the regulation of the practice of dentistry in th[e] State." §90–22(b).
- The legislature specified the membership of the Board. §90–22(c). It defined the "practice of dentistry," §90–29(b), and it set out standards for licensing practitioners, §90–30. The legislature also set out standards under which the Board can initiate disciplinary proceedings against licensees who engage in certain improper acts. §90–41(a).
- The legislature empowered the Board to "maintain an action in the name of the State of North Carolina to perpetually enjoin any person from . . . unlawfully practicing dentistry." §90–40.1(a). It authorized the Board to conduct investigations and to hire legal

counsel, and the legislature made any "notice or statement of charges against any licensee" a public record under state law. §§ 90–41(d)–(g).

- The legislature empowered the Board "to enact rules and regulations governing the practice of dentistry within the State," consistent with relevant statutes. §90–48. It has required that any such rules be included in the Board's annual report, which the Board must file with the North Carolina secretary of state, the state attorney general, and the legislature's Joint Regulatory Reform Committee. §93B–2. And if the Board fails to file the required report, state law demands that it be automatically suspended until it does so. *Ibid.*

As this regulatory regime demonstrates, North Carolina's Board of Dental Examiners is unmistakably a state agency created by the state legislature to serve a prescribed regulatory purpose and to do so using the State's power in cooperation with other arms of state government.

The Board is not a private or "nonsovereign" entity that the State of North Carolina has attempted to immunize from federal antitrust scrutiny. *Parker* made it clear that a State may not "'give immunity to those who violate the Sherman Act by authorizing them to violate it, or by declaring that their action is lawful.'" *Ante,* at 7 (quoting *Parker*, 317 U. S., at 351). When the *Parker* Court disapproved of any such attempt, it cited *Northern Securities Co.* v. *United States*, 193 U. S. 197 (1904), to show what it had in mind. In that case, the Court held that a State's act of chartering a corporation did not shield the corporation's monopolizing activities from federal antitrust law. *Id.*, at 344–345. Nothing similar is involved here. North Carolina did not authorize a private entity to enter into an anticompetitive arrangement; rather, North Carolina *created a state agency* and gave that agency the power to regulate a particular subject affecting public health and

safety.

Nothing in *Parker* supports the type of inquiry that the Court now prescribes. The Court crafts a test under which state agencies that are "controlled by active market participants," *ante*, at 12, must demonstrate active state supervision in order to be immune from federal antitrust law. The Court thus treats these state agencies like private entities. But in *Parker*, the Court did not examine the structure of the California program to determine if it had been captured by private interests. If the Court had done so, the case would certainly have come out differently, because California conditioned its regulatory measures on the participation and approval of market actors in the relevant industry.

Establishing a prorate marketing plan under California's law first required the petition of at least 10 producers of the particular commodity. *Parker*, 317 U. S., at 346. If the Commission then agreed that a marketing plan was warranted, the Commission would "select a program committee *from among nominees chosen by the qualified producers*." *Ibid.* (emphasis added). That committee would then formulate the proration marketing program, which the Commission could modify or approve. But even after Commission approval, the program became law (and then, automatically) only if it gained the approval of 65 percent of the relevant producers, representing at least 51 percent of the acreage of the regulated crop. *Id.*, at 347. This scheme gave decisive power to market participants. But despite these aspects of the California program, *Parker* held that California was acting as a "sovereign" when it "adopt[ed] and enforc[ed] the prorate program." *Id.*, at 352. This reasoning is irreconcilable with the Court's today.

III

The Court goes astray because it forgets the origin of the

Parker doctrine and is misdirected by subsequent cases that extended that doctrine (in certain circumstances) to private entities. The Court requires the North Carolina Board to satisfy the two-part test set out in *California Retail Liquor Dealers Assn.* v. *Midcal Aluminum, Inc.*, 445 U. S. 97 (1980), but the party claiming *Parker* immunity in that case was not a state agency but a private trade association. Such an entity is entitled to *Parker* immunity, *Midcal* held, only if the anticompetitive conduct at issue was both "'clearly articulated'" and "'actively supervised by the State itself.'" 445 U. S., at 105. Those requirements are needed where a State authorizes private parties to engage in anticompetitive conduct. They serve to identify those situations in which conduct *by private parties* can be regarded as the conduct of a State. But when the conduct in question is the conduct of a state agency, no such inquiry is required.

This case falls into the latter category, and therefore *Midcal* is inapposite. The North Carolina Board is not a private trade association. It is a state agency, created and empowered by the State to regulate an industry affecting public health. It would not exist if the State had not created it. And for purposes of *Parker*, its membership is irrelevant; what matters is that it is part of the government of the sovereign State of North Carolina.

Our decision in *Hallie* v. *Eau Claire*, 471 U. S. 34 (1985), which involved Sherman Act claims against a municipality, not a State agency, is similarly inapplicable. In *Hallie,* the plaintiff argued that the two-pronged *Midcal* test should be applied, but the Court disagreed. The Court acknowledged that municipalities "are not themselves sovereign." 471 U. S., at 38. But recognizing that a municipality is "an arm of the State," *id.*, at 45, the Court held that a municipality should be required to satisfy only the first prong of the *Midcal* test (requiring a clearly articulated state policy), 471 U. S., at 46. That municipalities

are not sovereign was critical to our analysis in *Hallie*, and thus that decision has no application in a case, like this one, involving a state agency.

Here, however, the Court not only disregards the North Carolina Board's status as a full-fledged state agency; it treats the Board less favorably than a municipality. This is puzzling. States are sovereign, *Northern Ins. Co. of N. Y.* v. *Chatham County*, 547 U. S. 189, 193 (2006), and California's sovereignty provided the foundation for the decision in *Parker*, *supra,* at 352. Municipalities are not sovereign. *Jinks* v. *Richland County*, 538 U. S. 456, 466 (2003). And for this reason, federal law often treats municipalities differently from States. Compare *Will* v. *Michigan Dept. of State Police*, 491 U. S. 58, 71 (1989) ("[N]either a State nor its officials acting it their official capacities are 'persons' under [42 U. S. C.] §1983"), with *Monell* v. *City Dept. of Social Servs., New York*, 436 U. S. 658, 694 (1978) (municipalities liable under §1983 where "execution of a government's policy or custom . . . inflicts the injury").

The Court recognizes that municipalities, although not sovereign, nevertheless benefit from a more lenient standard for state-action immunity than private entities. Yet under the Court's approach, the North Carolina Board of Dental Examiners, a full-fledged state agency, is treated like a private actor and must demonstrate that the State actively supervises its actions.

The Court's analysis seems to be predicated on an assessment of the varying degrees to which a municipality and a state agency like the North Carolina Board are likely to be captured by private interests. But until today, *Parker* immunity was never conditioned on the proper use of state regulatory authority. On the contrary, in *Columbia* v. *Omni Outdoor Advertising, Inc.,* 499 U. S. 365 (1991), we refused to recognize an exception to *Parker* for cases in which it was shown that the defendants had

engaged in a conspiracy or corruption or had acted in a way that was not in the public interest. *Id.,* at 374. The Sherman Act, we said, is not an anticorruption or good-government statute. 499 U. S., at 398. We were unwilling in *Omni* to rewrite *Parker* in order to reach the allegedly abusive behavior of city officials. 499 U. S., at 374–379. But that is essentially what the Court has done here.

III

Not only is the Court's decision inconsistent with the underlying theory of *Parker*; it will create practical problems and is likely to have far-reaching effects on the States' regulation of professions. As previously noted, state medical and dental boards have been staffed by practitioners since they were first created, and there are obvious advantages to this approach. It is reasonable for States to decide that the individuals best able to regulate technical professions are practitioners with expertise in those very professions. Staffing the State Board of Dental Examiners with certified public accountants would certainly lessen the risk of actions that place the well-being of dentists over those of the public, but this would also compromise the State's interest in sensibly regulating a technical profession in which lay people have little expertise.

As a result of today's decision, States may find it necessary to change the composition of medical, dental, and other boards, but it is not clear what sort of changes are needed to satisfy the test that the Court now adopts. The Court faults the structure of the North Carolina Board because "active market participants" constitute "a controlling number of [the] decisionmakers," *ante,* at 14, but this test raises many questions.

What is a "controlling number"? Is it a majority? And if so, why does the Court eschew that term? Or does the Court mean to leave open the possibility that something less than a majority might suffice in particular circum-

stances? Suppose that active market participants constitute a voting bloc that is generally able to get its way? How about an obstructionist minority or an agency chair empowered to set the agenda or veto regulations?

Who is an "active market participant"? If Board members withdraw from practice during a short term of service but typically return to practice when their terms end, does that mean that they are not active market participants during their period of service?

What is the scope of the market in which a member may not participate while serving on the board? Must the market be relevant to the particular regulation being challenged or merely to the jurisdiction of the entire agency? Would the result in the present case be different if a majority of the Board members, though practicing dentists, did not provide teeth whitening services? What if they were orthodontists, periodontists, and the like? And how much participation makes a person "active" in the market?

The answers to these questions are not obvious, but the States must predict the answers in order to make informed choices about how to constitute their agencies.

I suppose that all this will be worked out by the lower courts and the Federal Trade Commission (FTC), but the Court's approach raises a more fundamental question, and that is why the Court's inquiry should stop with an examination of the structure of a state licensing board. When the Court asks whether market participants control the North Carolina Board, the Court in essence is asking whether this regulatory body has been captured by the entities that it is supposed to regulate. Regulatory capture can occur in many ways.[6] So why ask only whether

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[6] See, *e.g.,* R. Noll, Reforming Regulation 40–43, 46 (1971); J. Wilson, The Politics of Regulation 357–394 (1980). Indeed, it has even been

the members of a board are active market participants? The answer may be that determining when regulatory capture has occurred is no simple task. That answer provides a reason for relieving courts from the obligation to make such determinations at all. It does not explain why it is appropriate for the Court to adopt the rather crude test for capture that constitutes the holding of today's decision.

IV

The Court has created a new standard for distinguishing between private and state actors for purposes of federal antitrust immunity. This new standard is not true to the *Parker* doctrine; it diminishes our traditional respect for federalism and state sovereignty; and it will be difficult to apply. I therefore respectfully dissent.

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charged that the FTC, which brought this case, has been captured by entities over which it has jurisdiction. See E. Cox, "The Nader Report" on the Federal Trade Commission vii–xiv (1969); Posner, Federal Trade Commission, Chi. L. Rev. 47, 82–84 (1969).

Anderson vs. Dussault

IN THE SUPREME COURT OF THE STATE OF WASHINGTON

RACHEL MARGUERITE ANDERSON (formerly RACHEL M. RODGERS), Petitioner, v. WILLIAM L.E. DUSSAULT and JANE DOE DUSSAULT, husband and wife, and the marital community composed thereof; BARBARA J. BYRAM and JOHN DOE BYRAM, wife and husband, and the marital community composed thereof; YEVGENY JACK BERNER and JANE DOE BERNER, husband and wife, and the marital community composed thereof; WILLIAM L.E. DUSSAULT, PS, a Washington professional services corporation; the DUSSAULT LAW GROUP, a Washington corporation; RICHARD MICHAEL McMENAMIN and SHARI L. McMENAMIN, husband and wife, and the martial community composed thereof; McMENAMIN & McMENAMIN PS, a Washington professional service corporation; ANDREA DAVEY (fka ANDREA RODGERS) and JOHN DOE DAVEY, wife and husband, and the marital community composed thereof; and WELLS FARGO BANK, NA, a foreign corporation, Respondents.	)	No. 89788-3 En Banc Filed SEP 0 4 2014

MADSEN, C.J.—At issue is whether the superior court's approval of annual accountings of petitioner's special needs trust under the Trustees Accounting Act (TAA), chapter 11.106 RCW, bars petitioner's current suit, which is timely under the Trust and Estate Dispute Resolution Act (TEDRA), chapter 11.96A RCW. We review a published Court of Appeals decision affirming the summary dismissal of petitioner Rachel Anderson's breach of trust action against the trustee and two members of a committee charged with making trust disbursements, and her malpractice action against the attorney hired to file annual trust accountings with the superior court. We hold that because Rachel was not represented by a guardian ad litem when the court approved the trust's annual accountings, she did not have notice of these proceedings and accordingly can now bring a breach of trust action under TEDRA. We reverse the Court of Appeals, vacate its award of attorney's fees, and remand for further proceedings.

FACTS AND PROCEDURE

When Rachel Anderson (formerly Rachel Rodgers) was six years old, a horse kicked her in the face and she sustained serious injuries. Her many fractures and lacerations required multiple surgeries and she suffered severe cognitive and emotional trauma. Rachel's family hired respondent Richard McMenamin to pursue a personal injury action against the owner of the horse. Br. of Appellant Rachel Marguerite Anderson at 4.

On August 25, 1997, the Clallam County Superior Court approved a personal injury settlement of $300,000.00 and the creation of the "Rachel Marguerite Rodgers Trust." McMenamin hired respondent attorney William Dussault to draw up the trust agreement. After attorney's fees and other costs, a net amount of $187,160.66 entered the trust. As outlined in the trust agreement, respondent Wells Fargo Bank, NA served as trustee. The agreement also created a trust advisory committee (TAC) composed of petitioner's mother, Andrea Davey (formerly Andrea Rodgers); and respondent McMenamin, who were tasked with making distribution decisions for Rachel's benefit.

The trust agreement identifies the trust as a special needs trust intended to help Rachel cope with her severe disabilities stemming from the accident. The trust agreement declares that

> it is the purpose of this Trust to provide extra and supplemental medical, health, and nursing care, dental care, developmental services, support, maintenance, education, rehabilitation, therapies, devices, recreation, social opportunities, assistive devices, advocacy, legal services, respite care, personal attendant care, income and other tax liabilities, and consultant services for RACHEL MARGUERITE RODGERS over and above the benefits she otherwise receives.

Clerk's Papers at 296. Moreover, the trust agreement declares an intention that the funds be used for purposes specific to Rachel's injuries and disabilities and beyond basic parental support obligations.[1] The TAC is charged with making distribution decisions

[1] "Further, it is not the intent of this Court that the funds provided by this settlement be used to excuse the obligations of her natural parents to provide for RACHEL MARGUERITE RODGERS's continuing maintenance and basic support in accordance with their natural support obligations for minor children under the laws of the State of Washington. Payments from this Trust shall be supplemental to such support obligations and shall not supplant the basic support

and is given "absolute and unfettered discretion to determine when and if RACHEL needs regular and extra supportive services as referred to in the paragraphs above." *Id.* at 297.

The agreement requires the trustee (Wells Fargo) to deliver an annual statement of the trust's financial and investment activity to Rachel, any court appointed personal representative, and the TAC members. Additionally, the trust agreement requires that this annual statement be filed with the court for approval.

The trust also contains a section governing major purchases like real estate. This section provides that the title to or ownership of an asset like a house must be maintained with the trust unless the trustee and the TAC agree otherwise. Additionally, the trustee has discretion to allow the beneficiary to reside in the house rent-free, but only if advised by the TAC that the beneficiary is not eligible for any public rent assistance due to her disability.

Rachel takes issue with how her trust has been administered, alleging breach of fiduciary duties and legal malpractice. First, she challenges the trust's purchase of a minivan and subsequent operating and insurance costs, claiming that the car was never used for its claimed purpose of taking her to far-off doctor's appointments. Rachel also challenges the trust's purchase of computers and related software. She argues that these computers and software were used by the entire family and as such were a natural parental expense not at all related to her disability. Next, Rachel contests the procedures

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obligation of the natural parents as determined by the laws of the State of Washington." Clerk's Papers at 295.

the trust used to purchase a house in the name of her mother's then boyfriend. She argues that the process surrounding the purchase of the house violated express provisions for "major purchases" contained in the trust agreement. Rachel also challenges the use of trust money to purchase birthday gifts that Rachel contends was actually used for new carpeting and a swimming pool. Finally, Rachel contends that the trustee and legal fees charged to the trust were excessive and at above market rates. Br. of Appellant Rachel Marguerite Anderson at 8-12.

As required by the terms of the trust, the trustee made annual filings with the court detailing all financial and investment activity of the trust during the prior year. The trustee, Wells Fargo, hired respondent attorney Dussault to prepare the annual reports for court approval. The trust filed seven different accountings from 2000-2009 and the court approved each one in a succinct order. The form and effect of these accountings was governed by the TAA, chapter 11.106 RCW.

Rachel filed her complaint on July 22, 2011 in Clallam County Superior Court against Andrea Davey, McMenamin, Wells Fargo, and Dussault, alleging breach of fiduciary duties and malpractice. Motions for summary judgment were filed by Dussault, McMenamin, and Wells Fargo. The court granted summary judgment to McMenamin, Dussault, and Wells Fargo. The superior court then dismissed all of Rachel's claims, including her claim against her mother, Andrea. Rachel appealed as to McMenamin, Dussault, and Wells Fargo, but chose not to appeal her claim against Andrea.

On appeal, Division Two affirmed in a published decision. *Anderson v. Dussault*, 177 Wn. App. 79, 310 P.3d 854 (2013). The court reasoned that Rachel's claims were barred by RCW 11.106.080, a provision of the TAA that makes court approval of an accounting final and binding on all parties, even incompetent beneficiaries. Because the superior court had approved all the accountings and Rachel never appealed those approvals, she could not now pursue breach of trust claims based on conduct disclosed in those accountings. Division Two also ordered Rachel to pay Dussault's and Wells Fargo's attorney's fees, citing RCW 11.96A.150.

This court accepted review on April 2, 2014.

DISCUSSION

A. The Trustees' Accounting Act

Passed in 1951, the TAA outlines procedures for the discretionary and mandatory review of accountings of the receipts and disbursements of trusts. The TAA requires trustees to deliver an annual statement to each adult income trust beneficiary detailing all receipts and disbursements of the trust during that year. RCW 11.106.020. In addition to that required annual statement, the TAA allows trustees to file intermediate accountings in superior court and likewise allows beneficiaries to petition the court to direct the trustee to file an interim accounting. RCW 11.106.030, .040.

Whenever a trustee files an accounting, whether at its own election or the court's mandate, the court must issue a detailed notice and ask for objections to be filed before a certain date ("the return date"). RCW 11.106.050. In order to facilitate this objection

process, the TAA provides that "[t]he court shall appoint guardians ad litem as provided in RCW 11.96A.160." RCW 11.106.060. Further, RCW 11.96A.160 is a TEDRA provision that outlines procedures for the discretionary appointment of guardians ad litem. Once the return date has passed, the court assesses the "correctness of the account and the validity and propriety of all actions of the trustee" and issues a decree approving or rejecting the accounting and "surcharging the trustee or trustees for all losses, if any, caused by negligent or wilful breaches of trust." RCW 11.106.070. The decree approving or rejecting the accounting, furthermore, "shall be deemed final, conclusive, and binding upon all the parties interested including all incompetent, unborn, and unascertained beneficiaries of the trust subject only to the right of appeal under RCW 11.106.090." RCW 11.106.080.

B. TEDRA

The legislature passed TEDRA in 1999 to "set forth generally applicable statutory provisions for the resolution of disputes and other matters involving trusts and estates in a single chapter under Title 11 RCW." RCW 11.96A.010. TEDRA also creates methods for nonjudicial resolution of trust disputes. *Id.*

TEDRA is an extensive statute, but most pertinent here is its provision for a statute of limitations for breach of trust actions. TEDRA provides a three-year statute of limitations for beneficiaries to bring actions for breach of trust. RCW 11.96A.070. Under this provision, the beneficiary has three years from the date she or her personal representative was sent a report that adequately discloses the potential for a breach of

trust claim. TEDRA details the information that must be included in this report in order to impute notice of a potential claim to the beneficiary. One piece of required information is a statement explaining to the beneficiary that she has a right under the TAA to request that an accounting be filed with the superior court. RCW 11.96A.070(1)(b)(vii). This statute of limitations will be tolled, and notice will not be imputed to the beneficiary, if the beneficiary is a minor without a guardian ad litem. RCW 11.96A.070(4). As explained above, the court retains discretion to appoint or not appoint guardians ad litem under TEDRA. RCW 11.96A.160.

C. The TAA does not bar petitioner's TEDRA claim

Petitioner contends that the TAA does not bar her breach of trust claim because RCW 11.106.060 of the TAA requires appointment of a guardian ad litem and she never received a guardian appointment. Petitioner focuses on the TAA's requirement that "[t]he court *shall* appoint guardians ad litem." RCW 11.106.060 (emphasis added).

Respondents contend that the plain language of RCW 11.106.060 requires guardians to be appointed "as provided in RCW 11.96A.160," a provision of TEDRA that creates a discretionary appointment procedure. So the appointment of guardians under the TAA is likewise a discretionary determination, and the court's failure to appoint one here was not error.

Statutory construction is an issue of law that we review de novo. *State v. J.P.*, 149 Wn.2d 444, 449-50, 69 P.3d 318 (2003). In conducting this review, our primary purpose is to ascertain and effectuate the intent of the legislature. *Id.* Further, "it is the duty of

this court to construe two statutes dealing with the same subject matter so that the integrity of both will be maintained." *Gilbert v. Sacred Heart Med. Ctr.*, 127 Wn.2d 370, 375, 900 P.2d 552 (1995).

Petitioner mistakenly focuses on whether appointment of guardians is discretionary or mandatory. The plain language of the TAA is unambiguous and requires that appointment of guardians under the TAA be governed by TEDRA's procedures. Because TEDRA makes appointment of guardians discretionary, so too must appointment of guardians be discretionary under the TAA. *See In re Estate of Jones*, 152 Wn.2d 1, 10-11, 93 P.3d 147 (2004) (holding that one provision's permission for removal only for "'reasons specified'" in a second provision incorporated the second provision's catchall phrase "'for any other cause or reason which to the court appears necessary'").

In any event, the parties focus on the wrong question. Though the superior court did not err by failing to appoint a guardian for Rachel when it considered her trust accountings, a question remains whether a breach of trust claim that would be timely brought under TEDRA is barred by the TAA provision establishing the finality of accountings filed with the court.

To answer this question, our analysis must begin with the plain language of the TAA and TEDRA. *Id.* at 11 ("Where a statute is unambiguous, the court assumes the legislature means what it says and will not engage in statutory construction past the plain meaning of the words."). Read together, the plain language of the TAA and TEDRA

reveal a legislative intent that minor beneficiaries have notice only where the court appoints a guardian ad litem or they have a valid virtual representative.

As outlined above, TEDRA provides a three-year statute of limitations for breach of trust actions calculated from the time that the beneficiary receives notice of the potentiality of a claim. RCW 11.96A.070. Notice of the potentiality of a claim is accomplished by the trustee sending the beneficiary or her representative a report containing specified information. Among other things, the report must contain a statement that the beneficiary has the right to demand an accounting with the court under the TAA. RCW 11.96A.070(1)(b)(vii). But this statute of limitations is tolled, and notice is therefore not imputed, where the beneficiary is a minor without an appointed guardian. RCW 11.96A.070(4). Accordingly, notice of a potential claim, which by definition requires notice of the ability to demand a TAA accounting, is not imputed to the beneficiary until she reaches the age of majority or has a guardian appointed. Here, because the court never appointed Rachel a guardian, she did not receive legal notice of her potential breach of trust claim, or her right to demand an accounting under the TAA, until she turned 18. At that point the three-year statute of limitations began to run, and she properly initiated this action within three years of that time, when she was 20 years old.

Just as minors without guardians will not receive legal notice of the potentiality of a breach of trust claim without notice of their ability to demand a TAA accounting, the TAA notice provisions lead to the conclusion that minors without guardians will not

receive legal notice of an ongoing accounting initiated by the trustee. When any TAA accounting is filed, the court is required to issue a detailed notice. This notice must specify the time and place for the return date, include the names of the trustee, and ask that any objections be filed by the return date. RCW 11.106.050. Additionally, the notice must be personally served on all parties or their virtual representatives. *Id.*; RCW 11.96A.110. Meanwhile, a related provision of TEDRA defines "virtual representation" to include both guardians and parents, but the statute specifically provides that a conflict of interest defeats virtual representation.[2] Immediately after detailing the procedures for notice, the TAA outlines procedures for appointing guardians and representatives in order to facilitate the beneficiary's ability to respond to the accounting before the court rules on it. RCW 11.106.060. Here, Rachel did not have a guardian ad litem and never personally received notice of any of the accountings that occurred during her minority. Her mother's notice of the accountings cannot qualify as virtual representation because of the existing conflict of interest between Rachel and her mother. Accordingly, Rachel never received proper notice of the ongoing accountings. Though respondents are correct that the appointment of guardians is discretionary under both the TAA and TEDRA, there must be a consequence for initiating an accounting proceeding without one. Just as a minor does not have notice of her ability to bring a TEDRA breach of trust claim if she

[2] "To the extent there is no conflict of interest between the representative and the person represented . . . (b) A guardian of the person may represent and bind the incapacitated person [or] (f) A parent may represent and bind the parent's minor or unborn child or children if a guardian for the child or children has not been appointed." RCW 11.96A.120(4).

does not have a guardian, we hold that minors without an appointed guardian or other valid virtual representative lack notice of any ongoing accounting proceedings.

This analysis is consistent with cannons of statutory construction adopted by this court. In cases of statutory inconsistencies, the later and more specific statute controls over the earlier and more general one. *Diaz v. State*, 175 Wn.2d 457, 470, 285 P.3d 873 (2012); MICHAEL SINCLAIR, A GUIDE TO STATUTORY INTERPRETATION 138 (2000). Thus, even if one concludes that the plain language of TEDRA and the TAA cannot be squared, TEDRA, as the later statute more specific to Rachel's breach of trust action, would control. And TEDRA explicitly tolls the statute of limitations during minority where no guardian has been appointed.

Respondents' argument to the contrary lacks support. Respondents hinge their argument on the language of finality contained in the TAA and the interpretation of this language in a Court of Appeals case, *In re Testamentary Trusts for Barovic*, 128 Wn. App. 196, 114 P.3d 1230 (2005). But *Barovic*, while recognizing that a TAA accounting cannot be revised once approved by the court, in fact supports the allowance of an independent cause of action for breach of trust. Though the *Barovic* court did hold that Barovic relinquished his right to recover sums that should have been reported on past accounting statements because the TAA accountings were final and Barovic never appealed, the court also noted that Barovic did not file an action for breach of fiduciary duty under TEDRA. *Id.* at 202 n.7 ("Barovic claims that Pemberton breached her fiduciary duty. But he never filed an action for breach of fiduciary duty. *See* RCW

11.96A.070(1)(a) (actions for breach of fiduciary duty have three-year statutes of limitation)."). *Barovic* supports our reading of the statutes.

D. Additional Arguments

Respondent Dussault also argues that the doctrine of judicial estoppel blocks Rachel's suit. He contends that Rachel accepted the benefits of the trust distributions, which were approved and finalized by the court, and that she cannot now complain after the fact that those benefits were improperly administered. Resp't Dussault's Suppl. Br. at 13-14. But judicial estoppel requires a party to take inconsistent positions at two judicial proceedings. *See Arkison v. Ethan Allen, Inc.*, 160 Wn.2d 535, 538-39, 160 P.3d 13 (2007). Rachel has never taken a position in court inconsistent with the one she asserts here. She was not a party to any of the approved accountings because she was a minor and no guardian ad litem had been appointed. Judicial estoppel does not apply.

Additionally, Dussault and Wells Fargo contend that collateral estoppel and res judicata block this action because Rachel chose not to appeal the superior court's summary dismissal of her claim against her mother, instead focusing her appellate efforts on her claims against respondents. Resp't Dussault's Answer to Pet. for Review at 14-16; Wells Fargo Bank, NA's Resp. to Pet. for Review at 11-12. Neither collateral estoppel nor res judicata apply because here the issues and claims are not being relitigated, but rather were appealed first to the Court of Appeals and are now on review in this court. An appeal is not a second adjudication for collateral estoppel or res judicata purposes. *See Fred Hutchinson Cancer Research Ctr. v. Holman*, 107 Wn.2d 693, 708,

732 P.2d 974 (1987) (rejecting the argument that the release of a cotrustee compromises an appeal as to the remaining trustee); *Miller v. St. Regis Paper Co.*, 60 Wn.2d 484, 485, 374 P.2d 675 (1962) ("[T]he rejection of an industrial insurance claim on the ground that the workman was not in the course of his employment, *from which no appeal is taken*, is res judicata against the employer in a subsequent action by the workman." (emphasis added)). Rachel, and all appellants, are free to challenge on appeal all or some of the claims and issues decided by the trial court. Her appeal as to respondents cannot be barred simply because she did not appeal as to Andrea. Preclusion does not apply.

Finally, at oral argument, respondents suggested that because McMenamin acted as Rachel's personal injury attorney and oversaw the creation of her special needs trust, he stepped into the shoes of a guardian, though he was never formally designated as such. We decline to reach this argument raised for the first time at oral argument and unaddressed in the parties' briefing. RAP 12.1. Moreover, there is no evidence in the record that McMenamin served in this role.

CONCLUSION

We hold that the TAA does not bar Rachel's claims. Because she did not have a guardian ad litem when her trust accountings were filed with and approved by the court, she did not have the required notice of those proceedings and so cannot now be barred by them. TEDRA's three-year statute of limitations is tolled for minors without guardians, and Rachel's claims are timely under this provision. In addition to the issues of judicial estoppel and preclusion addressed above, respondents urge us to decide several other

contingent arguments raised, but not decided, at the Court of Appeals.[3] Though this court may review de novo all trial court errors of law, here the trial court's summary judgment hearing and order suggest it thought Rachel's claim was barred by the TAA. Rather than addressing undeveloped arguments with little briefing and no clear trial court consideration, we leave it to the trial court on remand to evaluate the merits of these contingent claims. Accordingly, we reverse the Court of Appeals, vacate its award of attorney fees, and remand for further proceedings.

[3] In particular, respondents argue that the terms of the trust agreement bar Rachel's suit, that Dussault did not owe Rachel a duty and therefore cannot be sued for malpractice, and that no breach of duty occurred.

Madsen, C.J.

WE CONCUR:

Johnson, J.
Wiggins, J.
Fairhurst, J.
Stephens, J.
González, J.
Gordon McCloud, J.
Yu, J.
Bwyer, J.P.T.

Proposed Order of Suspension

IN THE SUPREME COURT OF THE STATE OF WASHINGTON

IN THE MATTER OF THE DISCIPLINARY PROCEEDING AGAINST: LORI A PETERSEN, CPG No. 9713, Petitioner.	)	**No. 88513-3** **[PROPOSED] ORDER OF SUSPENSION**

An opinion in this matter was filed on July 3, 2014, remanding the issues of proportionality of the sanction of suspension. The Certified Professional Guardian Board took statements regarding proportionality from each party. The Board determined that the sanction of suspension with accompanying remedies were proportional to other disciplinary matters that had been presented to it and approved its Findings of Fact, Conclusions of Law, and Recommendations.

The Court having considered the record of the remand submitted in support of the Board's Findings of Fact, Conclusions of Law, and Recommendations,

IT IS ORDERED:

That the Findings of Fact and Conclusions of Law of the Board are approved and incorporated by reference;

That the certification of Lori A. Petersen is suspended for one-year beginning on the date on which she has relinquished all cases in which she is the assigned certificated professional guardian; that she may not act in the capacity of a certified profession guardian; and that she shall accept no new cases until after the one-year period has expired;

That Petitioner Lori Petersen shall retain an independent monitor approved by the Standards of Practice Committee for a period of 24 months following the expiration of her suspension at her own expense;

That Petitioner shall pay costs in the amount of $7,500 to the Board.

DATED at Olympia, Washington, this _____ day of January, 2015.

For the Court

_____

Petition for Order of Suspension

IN THE SUPREME COURT OF THE STATE OF WASHINGTON

IN THE MATTER OF THE DISCIPLINARY PROCEEDING AGAINST:	)	**No. 88513-3**
LORI A PETERSEN, CPG No. 9713,	)	**PETITION FOR ORDER OF SUSPENSION**
Petitioner.	)	

On July 3, 2014, the Washington Supreme Court entered its opinion in the above-captioned matter. The Supreme Court remanded the matter to the Certified Professional Guardian Board ("Board") to conduct an explicit proportionality inquiry into the recommended sanction of suspension.

Pursuant to the Court's remand, the Board issued a Notice of Procedure and Schedule on Remand on September 29, 2014. Each party submitted a statement in support of their respective positions on proportionality on or about October 13, 2014. The Board met at its regularly-scheduled meeting on October 20, 2014, and considered the parties' statements in Executive Session. In public session, the Board approved the sanction of a one-year suspension of Ms. Petersen from the acting as a certified professional guardian as proportional to other sanctions in other disciplinary matters. The Board subsequently adopted its Findings of Facts,

Conclusions of Law, and Recommendations to the Supreme Court at its regularly-scheduled meeting on January 12, 2015. *See* Appendix A.

Pursuant to Disciplinary Regulation 512.4.4 (Appendix B), the Board respectfully petitions the Court as follows:

- To affirm the Board's sanction against petitioner Lori A. Petersen of a one-year suspension as proportional;
- To affirm the Board's recommendations for the remedy of monitoring for 24-months following the end of the suspension at Petitioner's expense; and
- To affirm the Board's recommendation that Petitioner pay costs to the Board in the amount of $7,500.

RESPECTFULLY SUBMITTED this 28th day of January, 2015.

CERTIFIED PROFESSIONAL GUARDIAN BOARD

Shirley Bondon
Manager, Office of Guardianship and Elder Services

Petersen Letter to Supreme Court

HELSELL
FETTERMAN

Michael L. Olver
Attorney At Law
EMAIL: nfallis@helsell.com
Direct Line: 206-689-2103

February 17, 2015

By email to supreme@courts.wa.gov

Ronald R. Carpenter
Supreme Court Clerk
The Supreme Court of the State of Washington
Temple of Justice
P.O. Box 40929
Olympia, WA 98504-0929

Re: Supreme Court No. 91244-1
Suspension of Professional Guardian Lori Petersen, CPG No. 9713

Dear Mr. Carpenter:

As the record reflects, this office represents Lori Petersen, CPG No. 9713, with regard to the above matter. Attached with this correspondence is a copy of Ms. Petersen's Proposed Findings of Fact, Conclusions of Law and Recommendations and Proposed Order. The documents have been transmitted in word format so that the Court may easily make any changes it deems necessary.

If you have any questions or need any additional information, please do not hesitate to contact me at the number above.

Sincerely,

HELSELL FETTERMAN LLP

Michael L. Olver

MLO:kmc
Enclosures
Cc: Chad Corwyn Standifer, Office of the AG

Petersen Order for Letter of Admonishment

IN THE SUPREME COURT OF THE STATE OF WASHINGTON

IN THE MATTER OF THE DISCIPLINARY PROCEEDING AGAINST: LORI A. PETERSEN, CPG No. 9713, Petitioner.	No. 91244-1 [PROPOSED] ORDER FOR LETTER OF ADMONISHMENT OR REPRIMAND

THIS MATTER having come before the Court on the Certified Professional Guardianship Board's (the "Board") petition for suspension that was remanded to the Board to conduct a proportionality analysis. The Court, having considered the pleadings and records and files herein, including Ms. Petersen's Proposed Findings of Fact, Conclusions of Law and Recommendations, and being otherwise fully informed,

NOW, THEREFORE, it is hereby;

ORDERED that:

1. Ms. Petersen's Proposed Findings of Fact, Conclusions Law and Recommendations are approved and incorporated by reference;

2. Ms. Petersen shall receive a letter of admonishment or letter of reprimand based upon the findings by the Board; alternatively

3. Ms. Petersen shall receive a one-year suspension with credit for her *de facto* 19 month suspension, which shall result in Ms. Petersen keeping her Certified Professional Guardianship license and being allowed to continue to practice as a Certified Professional Guardian without interruption.

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ENTERED this ___ day of February, 2015, at Olympia, Washington.

By: _____
Justice of the Supreme Court

Presented by:

HELSELL FETTERMAN LLP

By: _____
Michael L. Olver, WSBA #7031
Attorneys for Lori Petersen

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Petitioner Proposed Findings of Fact

IN THE SUPREME COURT OF THE STATE OF WASHINGTON

IN THE MATTER OF THE DISCIPLINARY PROCEEDING AGAINST: LORI A. PETERSEN, CPG No. 9713, Petitioner.	No. 91244-1 PETITIONER'S PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW AND RECOMMENDATIONS

I. INTRODUCTION

1.1 This matter concerns a disciplinary proceeding commenced by the Certified Professional Guardian Board (the "Board") against Lori Petersen ("Petersen"), CPG No. 9713, based upon violations of the Standards of Practice[1] ("SOP"). A hearing took place in October 2012 wherein the Board found violations of SOP 402.2, 403.1, 403.2, 405.1 and 407.7. After the hearing, the Board imposed a disproportionately harsh sanction against Ms. Petersen compared to those imposed against other CPGs for even more serious violations of the SOP.

1.2 The Board sought a suspension of Ms. Petersen's certification for 12 months, a *de facto* death sentence for her guardianship practice, to be followed by a 24 month supervisory period to be paid for by Ms. Petersen and to pay $32,393.66 to the Board for the cost of proceedings.

[1] The SOP have been modified since the hearing examiner originally issued his findings and recommendations. To the extent possible, the new SOP will be used in this briefing.

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1.3 The Board petitioned the Washington State Supreme Court to suspend Ms. Petersen. The Supreme Court issued its opinion *In the Matter of the Disciplinary Proceeding against Lori Petersen*, 180 Wn.2d 768 (2014) wherein it declined to suspend Ms. Petersen and remanded the proceeding to the Board to conduct a proportionality analysis of the penalties sought against her.

1.4 Ms. Petersen submits the following Proposed Findings of Fact, Conclusions of Law and Recommendations to the Supreme Court of the State of Washington.

II. FINDINGS OF FACT

2.1 Ms. Petersen has been a CPG for over a decade and was a member of the Certified Professional Guardianship Board for six years. Ms. Petersen helped draft the SOPs, and she understands that her primary duty as a guardian is to look out for the best interest of her clients.

2.2 During Ms. Petersen's time as a CPG, she has consistently accepted guardianship cases that the vast majority of other CPGs will not accept due to their difficulty and very low pay of only $175.00 per month, despite the long hours that these cases demand.

2.3 During the past decade, Ms. Petersen has dutifully managed an increasingly large caseload of extremely difficult cases in an efficient and professional manner. Ms. Petersen has represented low income IPs when very few others would.

2.4 Prior to this proceeding, the only prior disciplinary action taken against Ms. Petersen was an agreed letter of admonishment for a minor clerical error. The letter of admonishment was unrelated to any of the violations the Board determined that she committed in this matter.

2.5 The letter of admonishment concerned the failure to fill out periodic forms that were required to determine the public pay status for her clients. Ms. Petersen had remedied the inadvertent failure to complete the forms, but consented to the letter of admonishment nonetheless.

2.6 The prior letter of admonishment has little, if any, bearing on the current matter and should not be considered an aggravating factor when determining the appropriate and proportionate disciplinary sanction, if any.

2.7 Ms. Petersen moved the IPs from Peterson Place because she was concerned with the facilities actions with regard to unduly restraining the residents with both physical and chemical restraints and its failure to notify Ms. Petersen of critical situations involving her IPs. Additionally, Ms. Petersen moved her IPs so that they could receive a higher level of care than Peterson Place was providing, that is 24 hour care in the evening to prevent urinary tract infections and skin breakdown.

2.8 On May 15, 2013, Peterson Place was cited for multiple violations resulting from the same conduct that Ms. Petersen took into consideration when she moved her IPs. The Board admitted that it "did not consider [this factor] to be relevant to its proportionality analysis" despite the fact that this validates the motivation for Ms. Petersen transferring the IPs to a facility that could provide better care.

2.9 Since the initial hearing, Ms. Petersen has already served a *de facto* 19 month suspension, which is almost twice as long as the suspension sought by the Board.

2.10 From January 2013 until August 2014, a total of 19 months, the Spokane County Superior Court refused to allow Ms. Petersen to be appointed to any new guardianships, despite the fact that Ms. Petersen's license remained in good standing and the court lacked legal justification for refusing to appoint her to any new guardianship cases.

2.11 The consequence of this *de facto* suspension resulted in Petersen having her case load cut in half; having to let go of her full time office staff; reduce her case manager's income by 40%; reduce her bookkeeper's salary which required her to seek other work to supplement her income; and reduce her own income by 60% ($7,000.00 per month), which has significantly jeopardized her family and future.

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2.12 This *de facto* suspension has been significantly harsher than the sanctions initially proposed by the Board and hearing examiner. The Board admitted that it "did not consider [this factor] to be relevant to its proportionality analysis" despite the fact that this factor is extremely relevant in determining the proportionality of the disciplinary sanction to be imposed on Ms. Petersen.

2.13 The CPGB Grievance Case Summaries only list three cases that deal with the same SOP violations as Ms. Petersen that received any form of disciplinary action. One case received an admonishment and the other two received reprimands. The facts of all three cases are more egregious than the violations committed by Ms. Petersen.

2.14 CPGB No. 2011-014 Steven Broom [CPG No. 10300]. SOP Violations: 402.2, 407.3 and 407.5. Disciplinary Action: Admonishment.

2.14.1 The guardian "failed to provide an accurate accounting and inventory, was negligent regarding end of life decisions made on behalf of the incapacitated person, improperly revised the Physician's Order of Life Sustaining Treatment (POLST) form, failed to appropriately include family members in important decisions and communicated effectively, and failed to provide notice when required to family."

2.14.2 The guardian moved the IP, against the explicit and continued objections of the family members, to an alternate facility more than 50 miles away from the existing facility. During the move, the guardian repeatedly failed to return family members' telephone calls or consider their wishes for the IP in any way. Perhaps most egregious of all, the guardian defiantly ignored a show cause order why the move should take place; completed the move; and filed court papers in an attempt to prevent family members from having any access to the IP.

2.14.3 For this litany of offenses, the guardian received a mere admonishment.

2.14.4 Ms. Peterson moved her IPs over concerns for their wellbeing, which was later validated by the subsequent multiple violations issued to Peterson Place and by the improvement in the quality of life of each ward.

2.14.5 Ms. Peterson did communicated with the IPs' friends and family about the move, and certainly never ignored or violated a court order.

2.14.6 Ms. Peterson's actions were demonstrably less harmful that those of the guardian in *Broom*, and her punishment, if any, should reflect that fact.

2.15 CPGB No. 2011-007 and 2011-0118 Pamela Privette [CPG No. 9714]. SOP Violations: 401.1, 401.2, 401.5, 402.2 and 407.5. Disciplinary Action: Reprimand.

2.15.1 This case involves two separate grievances with two types of SOP violations. The first, more egregious violations, dealt with the guardians failure to properly handle the IP's financial affairs, failure to investigate financial exploitation for a period of 15 months, failure to properly obtain letters of guardianship and the required bond, and failure to have sufficient licensed CPGs working in a certified agency.

2.15.2 These violations, none of which are similar to Ms. Petersen's case, but all of which are more serious, were the primary impetus behind the Board's decision to issue a reprimand.

2.15.3 The secondary violations involved the guardian moving the IP to a new facility and failing to notify family members for two months.

2.15.4 In this case, Ms. Peterson never attempted to prevent family members from visiting the IP, and certainly did not move the IP without notifying the family members for two months.

2.15.5 It is evident that Ms. Petersen's actions were far less severe than those of the guardian in *Privette*. While the guardian in *Privette* only received a reprimand, Ms. Petersen has already received a *de facto* 19 month

suspension, which is significantly more severe than a mere reprimand, despite the fact that Ms. Petersen's actions warrant a much less severe punishment.

2.16 CPGB No. 2011-001 Sound Senior Assistance [CPG No. 10504]. SOP Violations: 402.2, 408.1, 408.3 and 408.5. Disciplinary Action: Reprimand.

2.16.1 In this disciplinary proceeding the IP went "full code" at the hospital. The nurses repeatedly attempted to contact the guardian for authority to conduct life-saving treatment, but the guardian refused to return phone calls for approximately two weeks. Even once the IP passed away the guardian still refused to return phone calls to address funeral plans. In addition to this wanton behavior, the guardian refused to cooperate with the Board's investigation. Ultimately, the guardian was reprimanded for her actions, a sanction that is far less than what the Board is seeking in this matter.

2.16.2 Here, Ms. Petersen and her staff were available at all times during emergency situations. There was never an extended period, as there repeatedly was in *Sound Senior Assistance*, where Ms. Petersen was unavailable to make medical decisions or did not answer her telephone.

2.16.3 Most importantly, not once did Ms. Petersen have any unavailability that caused harm in the final days of the IP's life. Ms. Petersen's actions were far less significant and harmful than those of the guardian in *Sound Senior Assistance*.

2.17 All other cases, a total of 31 grievances, involving allegations of SOP violations that were similar to Ms. Petersen's were dismissed.

2.18 There are three cases in which CPGs lost their certifications, all of which are completely unrelated to the violations that Ms. Petersen was determined to have committed.

2.19 CPGB No. 2010-017 Wanda Cain [CPG No. 10490]. SOP Violations: 401.1 and 401.5.

2.19.1 Here, the guardian was decertified for failure to perform duties and discharge obligations in accordance with applicable Washington Law and to provide reports, notices and financial accountings that are consistent with the statutory requirements. The guardian was given a letter of reprimand and placed on probation. Thereafter, the guardian continued to file late reports and completely disregarded the requirements of her letter of reprimand and was decertified.

2.19.2 The actions of this guardian are wholly dissimilar from the actions of Ms. Petersen who did not file late reports or violate SOP 401 or a letter of reprimand.

2.20 CPGB No. 2010-020 and 2011-021 Carol Gaherin [CPG No. 10330]. SOP Violations: 400, 401.1, 401.5, 409.1 and 410.1.

2.20.1 In this case, the guardian was decertified for failure to perform duties and discharge obligations in accordance with applicable Washington Law and to provide reports, notices and financial accountings that are timely, complete, accurate and consistent with the statutory requirements, to carry out her duties carefully and honestly, to competently manage the property and income of the estate, and to charge reasonable guardian's fees.

2.20.2 The egregious nature of the guardian's conduct included, receiving 137 notices of non-compliance for filing late reports with the courts, and 39 notices to appear at show cause hearings on the 54 cases she had during that period.

2.20.3 Overall, the guardian in *Gaherin* was grossly negligent with regard to reporting requirements and the handling of the IP's finances, neither of which are offenses alleged against Ms. Petersen, much less proven.

2.21 CPGB No. 2010-025, 2011-005 and 2011-010 Sharon Nielson [CPG No. 10082]. SOP Violations: 400, 401.1, 401.5 and 409.11.

2.21.1 The guardian in *Nielson* was decertified for failure to perform duties and discharge obligations in accordance with applicable Washington Law, to provide reports, notices and financial accountings that are timely, complete, accurate and consistent with the statutory requirements, or to protect and preserve the guardianship estate. The guardian was decertified for repeatedly failing to file proper reports with the court and for failing to respond to the Board's attempt to address the situation.

2.21.2 Again, Ms. Petersen was not alleged to have engaged in the same conduct as the guardian in *Nielson*.

2.22 The punishment sought by the Board; namely, a one year suspension followed by two years of supervision at Ms. Petersen's sole cost and a $7,500.00[2] fine is grossly disproportionate when viewed in light of what other guardians received for similar, and in many cases, more severe conduct.

[2] The Board initially sought a fine of $40,366.16, but then deducted the Hearing Officer's fee of $7,972.50 and reduced the fine to $32,393.66. It is unclear if the Board seeks an additional $7,500.00 or if that sum is requested in lieu of the $32,393.66.

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III. CONCLUSIONS OF LAW

3.1 The Board has failed to demonstrate that their recommended sanction of a one year suspension, followed by a two year supervisory period and a $7,500.00 fine is proportional to what other guardians received for similar conduct.

3.2 Not only are the Board's recommendations disproportionately severe, the Board willingly admits that it completely ignored two significant mitigating factors: (a) the fact that Peterson Place received violations that confirmed Ms. Petersen's well founded concerns about the care that the facility was providing to the IPs; and (b) the 19 month *de facto* suspension that Ms. Petersen has already served.

3.3 The cases cited above, involved guardians who engaged in substantially more egregious behavior than Ms. Petersen, yet they received a substantially lighter penalty than what the Board is seeking here.

3.4 No other CPG has faced as harsh of disciplinary measures as Ms. Petersen is facing for committing similar violations. When viewed in light of the mitigating factors discussed above, the penalties sought by the Board can only be characterized as Draconian.

IV. RECOMMENDATIONS

4.1 Based upon the sanctions imposed in comparable (or in some cases much more egregious) cases, the fact that Ms. Petersen had only one prior unrelated disciplinary sanction, and the 19 month *de facto* suspension that she has already received, it is recommended that Ms. Petersen be given no further penalty since she has already served a *de facto* 19 month suspension, which has already caused Ms. Petersen significant harm to her personally, financially, and most significant of all, professionally.

4.2 In the event that court is inclined to impose a sanction above and beyond the *de facto* 19 month suspension, it is recommended that Ms. Petersen be given a letter of reprimand, or at most, a letter of admonishment, or one of each.

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4.3 Given the significant financial hardship that has already been imposed on Ms. Petersen in the form of lost business and attorneys' fees, it is recommended that she not be directed to pay any further costs associated with this proceeding.

DATED this __ day of February, 2015.

HELSELL FETTERMAN LLP

By: _____
Michael L. Olver, WSBA #7031
Attorneys for Lori Petersen

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Supreme Court Answer to Olver

From: OFFICE RECEPTIONIST, CLERK
Sent: Wednesday, February 18, 2015 11:15 AM
To: Coselman, Kacie M.
Cc: Standifer, Chad (ATG); Rood, Kim
Subject: RE: In the Matter of Lori A. Petersen, No. 91244-1

Mr. Olver,

We received your letter dated February 17, 2015 with enclosed finding of fact etc. The letter and enclosure have been placed in the file without further action because this is not a trial court. No formal action will be taken on the findings, etc. Once this Court reaches a decision in the matter it will utilize the appropriate standard order.
Ronald Carpenter, Clerk.

From: Coselman, Kacie M. [mailto:KCoselman@helsell.com]
Sent: Tuesday, February 17, 2015 4:45 PM
To: OFFICE RECEPTIONIST, CLERK
Cc: Standifer, Chad (ATG); Rood, Kim
Subject: In the Matter of Lori A. Petersen, No. 91244-1

Please find attached for filing from Attorney Michael L. Olver, WSBA #7031, the Petitioner's Proposed Findings of Fact, Conclusions of Law and Recommendations and Proposed Order in PDF and Word format. Also attached is correspondence from Mr. Olver.

Thank you,

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