

when there are questions on accounting or other matters, there is something that someone can come in and object to, but normally they are matters that are approved without appearance and you don't have that problem.

Mr. EDMONDSON. One question. Do I understand you to say that ex parte orders were not obtained on lease matters?

Mr. SCHLESINGER. Mr. Tunney asked me in connection with subleases, what the charge would be on an ex parte order. My answer was that most subleases where they are going to be on a volume basis, you know you've got a development that contemplates 40 subleases, for instance, and they are all the same, the master lease provides for a pre-approved form, and those have been worked out by the Bureau, the Bureau constructed that because it saves everybody time and money, so the occasions have arisen very rarely when we need them.

Mr. EDMONDSON. We have just looked through here, Mr. Burton and I, and there are a number of exhibits here showing ex parte orders for amendments to leases. Is this a different proposition?

Mr. SCHLESINGER. That's something else, particularly on Canyon Country Club. There were several important amendments to that lease. Now, that's different from a sublease amendment. It could affect the rental, it usually affects an important part of the lease.

Mr. EDMONDSON. May I ask also, with regard to petitions for right-of-way and orders thereon, are these considered ex parte matters or not?

Mr. SCHLESINGER. Yes, these may be done ex parte but in that case, you can't use the same argument as in a sublease where you have the same document over and over and over. A right-of-way, by its very nature, involves a different situation.

Mr. EDMONDSON. Thank you. Congressman Tunney.

Mr. TUNNEY. In many of the Indian estates, it states it's alleged by the Department of the Interior that attorneys have charged both the estate and the lessee for their services, at times neither party knowing the other is paying. Do you see any potential danger in this practice?

Mr. SCHLESINGER. Yes. I think it is a practice that has to be—it's a very unethical practice and if it were proved, it would be a subject of disciplinary proceeding. You can only charge one fee and you must disclose it to your client if someone is doing the paying other than the client, because it's the same as—it's an undisclosed principal situation, and you have a very clear duty. The Code of Ethics, Professional Ethics of the Bar Association of the State of California cover that very specifically.

Mr. TUNNEY. When does the disclosure have to take place?

Mr. SCHLESINGER. From the moment that you know about it. For example, if you—I can only think of one situation in our office where we had—we were representing an Indian who had passed away at the age of 96 or so, and there wasn't enough money in that guardianship—I guess it was conservatorship, to pay attorneys' fees, and the wife, Mrs. Arenas, insisted here that in connection with a certain trade of property, the fee must be paid by the lessee. Well, we didn't like it, but we represented the Indian. We talked to the Bureau and said, "This is the only way Mrs. Arenas will go ahead with this lease," and they said, "All right, go ahead on that basis," and it was