

AGENDA ITEM

November 10 - Board of Trustees – October 13, 2012 Minutes

THE STATE BAR OF CALIFORNIA

MINUTES

BOARD OF TRUSTEES MEETING

MONTEREY, CALIFORNIA

SATURDAY, OCTOBER 13, 2012

The Board of Trustees of The State Bar of California convened in open session at 8:00 am in the Hyatt Regency Monterey, Regency IV Room, 1 Old Golf Course Road Monterey, CA 93940, on Saturday, October 13, 2012 Jon B. Streeter presiding.

The following members of the Board of Trustees were present: Lowell Carruth, Alec Y. Chang, George O. Davis, Samson Elsbernd, Nancy Fineman, Karen M. Goodman, Cheryl L. Hicks, Craig Holden, Patrick M. Kelly, Wells Lyman, Dennis Mangers, Pearl Mann, Gwen Moore, Gretchen Nelson, Luis J. Rodriguez, Heather Rosing and Mark Shem.

The following members of staff were present: Starr Babcock, Resty Buenavidez, Dina DiLoreto, Joseph Dunn Mary Lavery Flynn, Francisco Gomez, Teri Greenman, Robert A. Hawley, Gayle Murphy, Sonja Oehler, Cathy Torney, Peggy Van Horn, and Colin Wong.

Also present: Jennifer Wada, the Bar's legislative advocate.

The roll-call vote was taken, and upon motion made, seconded and unanimously adopted, it was

RESOLVED, that the roll-call vote will be substituted for the vote unless otherwise noted.

30 Mr. Streeter said that it had been an honor to chair the Board of Trustees for the last twelve months and proud to leave the Board better off than he found it.

Mr. Streeter stated that he could not have accomplished all he did during his term as President, without the incredible work of staff. Mr. Streeter expressed his appreciation for staff's dedication and effort and that one needed to sit as chair to understand the entirety of what staff does.

Mr. Streeter formally welcomed the incoming members of the Board of Trustees, Michael Colantuono, David Pasternak, Christopher Todd and David Torres and stated that they would enhance all coming deliberations of the Board.

Mr. Streeter congratulated Patrick Kelly, the incoming President of the Board, and expressed that they had worked well during their transition. Mr. Streeter stated that he had enjoyed working with all of the Trustees and that he was proud of all that had been accomplished during his term and that he was looking forward to continuing as the Chair of the Admissions Reform Task Force.

41/42 Mr. Dunn, Executive Director advised that all was quiet on the legislative front as the legislature was focused on the November election. Ms. Wada concurred.

Mr. Streeter called for public comment, inquiring as to whether there were persons in attendance who wished to comment on a particular item on the agenda. No one present requested comment.

50 All items on the consent agenda were presented to the Board, and no objection being raised thereto, the following items on the consent agenda were deemed unanimously adopted.

54-111 RESOLVED, that the Board Operations Committee recommends that the Board of Trustees adopt the following resolution:

WHEREAS IOLTA funds in California have decreased significantly over the last three years, resulting in unavoidable cuts in IOLTA funding for legal services for Californians in need; and

WHEREAS California legal services organizations have undertaken a "Campaign for Justice" to increase resources for legal services; and

WHEREAS the lead entities in the Campaign to date are the Office of Legal Services of the State Bar of California and the Legal Aid Association of California, and

WHEREAS the Campaign for Justice will launch a coordinated statewide effort in October 2011 that includes a Campaign website and other outreach strategies;

NOW, THEREFORE, BE IT RESOLVED that the Board of the Trustees of the State Bar of California approves the State Bar's partnership in the Campaign for Justice, and recognizes October 2011 as Campaign for Justice Month.

WHEREAS current funding sources for legal services have continually fallen short of the amount required to fulfill the need for legal assistance for Californians of limited means, resulting in a "justice gap"; and

WHEREAS legal services organizations efficiently provide access to the justice system and promote fair conflict resolution; and

WHEREAS due to insufficient funding, legal services organizations in California are forced to turn away more than half of qualified applicants seeking legal assistance; and

WHEREAS a network of attorneys and other leaders who care about fairness and seek to ensure that all Californians have access to justice under the law have organized a Campaign for Justice through which legal aid and pro bono lawyers will keep families in their homes, enable children to access health care, secure wrongfully denied unemployment benefits, and help persons with disabilities get Social Security; and

WHEREAS the lead entities in the Campaign for Justice are the Office of Legal Services of the State Bar of California and the Legal Aid Association of California, an organization of more than 75 legal services providers; and

WHEREAS the Campaign for Justice launched a coordinated statewide effort in October 2011 to increase awareness of the need for increased resources to provide legal services for those of limited means under the banner: "Choose Justice, Increasing Access for Those Without";

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the State Bar of California, on recommendation of its Board Operations Committee, recognizes the month of October as Campaign for Justice Month for purposes of honoring those who work to make justice equally accessible to all and to help ensure that the resources supporting that work are adequate and sustainable.

54-112

RESOLVED, that upon the recommendation of the Board Committee on Operations, the Board hereby sets the annual membership fee for active members in 2013 at \$410 and the annual membership fee for inactive members at \$125; and it is

FURTHER RESOLVED, that the total Keller deduction for the 2013 annual membership fee be set at \$10, which shall include \$5 for legislative activities under Business and Professions Code section 6140.05 and \$5 for activities in the Bar Relations and Elimination of Bias programs; and it is

FURTHER RESOLVED, that under the Temporary Emergency Legal Services Voluntary Assistance Option in Business and Professions Code section 6140.01, a \$20 deduction from the annual membership fee is to be provided to each member if the member elects not to have this amount allocated to support nonprofit organizations that provide free legal services to persons of limited means; and it is

FURTHER RESOLVED, that the penalties imposed on delinquent 2013 annual membership fees be set at \$100 for active members and \$30 for inactive members; and it is

FURTHER RESOLVED that the penalties on delinquent 2012 annual membership fees for all members, other than new admittees, billed on or after December 19, 2011 be set at \$100 for active members and \$30 for inactive members; and it is

FURTHER RESOLVED, that said penalties in the preceding paragraphs shall be assessed on February 2, 2013; and it is

FURTHER RESOLVED, that the reinstatement penalties for members to terminate suspension for nonpayment of accrued fees, penalties, and/or costs be set at \$100; and it is

FURTHER RESOLVED, that the membership fees for new members admitted in 2013 be set as follows: fees of \$410 for those admitted between January 1 and May 31, 2013 and \$205 for those admitted between June 1 and November 30, 2013; and it is

FURTHER RESOLVED, that late payment penalties for new members admitted in 2013 be assessed and set on the 46th day from the invoice date as follows: \$100 for those admitted between January 1 and May 31, 2013, and \$50 for those admitted between June 1 and November 30, 2013; and it is

FURTHER RESOLVED, that the MCLE noncompliance fee be set at \$75 and the reinstatement fee to terminate MCLE inactive enrollment be set at \$200 for 2013; and it is

FURTHER RESOLVED, that the interest on assessed costs for reimbursement to the Client Security Fund be set at 10% annually calculated from the date of disbursement as set forth by the Board, pursuant to Business and Professions Code §6140.5(c); and it is

FURTHER RESOLVED, that the administrative penalty on failure to comply with binding arbitration is charged at a fee not to exceed 20% of the amount ordered refunded to the client or \$1,000 whichever is greater.

54-113

Financial Statement for the Quarter Ended June 30, 2012

RESOLVED, that upon the recommendation of the Board Operations Committee, the Board hereby receives the financial statement in the form this day before the Board, for the quarter ended June 30, 2012, as certified by the Chief Financial Officer, and on file in the San Francisco office of the State Bar.

Investment Report for the Quarter Ended June 30, 2012

RESOLVED, that upon the recommendation of the Board Operations Committee, the Board hereby receives the investment report in the form this day before the Board, for the quarter ended June 30, 2012, as certified by the Chief Financial Officer, and on file in the San Francisco office of the State Bar.

Client Security Fund Report for the Quarter Ended June 30, 2012

RESOLVED, that upon the recommendation of the Board Operations Committee, the Board hereby receives the Client Security Fund report in the form this day before the Board, for the quarter ended June 30, 2012, as certified by the Chief Financial Officer, and on file in the San Francisco office of the State Bar.

All members present and recorded on the roll-call slip voted yes on the above matter.

114 Upon motion made, seconded and unanimously adopted, it was

RESOLVED, that on the recommendation of the Board Committee on Operations, the Board of Trustees hereby adopts the proposed revision to Rule 6.52(A)(3), effective immediately.

115 Upon motion made, seconded and unanimously adopted, it was

RESOLVED, that upon the recommendation of the Board Committee on Operations, the Board hereby amends the budget of the State Bar as specified in Attachment, A; and

WHEREAS, Protection of the public is the highest priority and paramount to other interests that may be promoted by the State Bar, and to that end, the Board of Trustees in February 2012 adopted a Five-Year Strategic Plan to maintain and sustain changes and improvements in the public protection function and in the management of State Bar resources;

WHEREAS, The Five-Year Strategic Plan includes a physical facilities initiative for a new workspace in Los Angeles designed and configured to reduce the operational footprint and to achieve greater efficiency and increased productivity;

WHEREAS, The pending purchase of the new building to house the State Bar's operations in Los Angeles will return the State Bar to its historic and traditional ownership of its facilities and is expected to enhance the fiscal position of the State Bar resulting in a net increase of available voluntary, non-dues revenues;

WHEREAS, The State Bar is authorized to advance the availability and delivery of free legal services to the poor; has historically supported and facilitated efforts of its members, voluntary bar associations, judicial branch partners, and other entities in this area; and has supported non-profit organizations providing free legal services through the Interest On Lawyers Trust Account funds, the California Equal Access Fund, and contributions to the Justice Gap Fund; and

WHEREAS, There remains a need for the increased funding of legal services for persons of limited means in California;

RESOLVED, That to the extent the purchase and payment of the obligations on the new facilities in Los Angeles generally results in a net enhancement of the State Bar's finances and specifically the availability of voluntary funds, the Board of Trustees hereby pledges on a yearly basis a significant amount of the available non-dues revenues to the Justice Gap Fund to support free legal services to the poor, provided that the State Bar is otherwise able to adequately finance services and programs necessary to fulfill its public protection mission.

116 Upon motion made, seconded and unanimously adopted, it was

RESOLVED, that on the recommendation of the Board Committee on Operations, the Board of Trustees hereby expresses the support of the State Bar for efforts to improve civic literacy in California and that the State Bar take all reasonable efforts as permitted by law, in partnership with the judicial branch, to improve civic literacy in California.

All members present and recorded on the roll-call slip voted yes.

The Board considered the appointments in closed session and the action taken is reported below.

3111 Upon motion made, seconded and unanimously adopted, it was

RESOLVED, that due to the need to make appointments before the Board Committee on Nominations and Appointments would next meet, and upon recommendation of the Board Committee on Operations, the Board hereby suspends the consideration of appointment of officers and members of the Committee on Professional Liability Insurance by the Committee on Nominations and Appointments; and it is

FURTHER RESOLVED, that upon the recommendation of the Board Committee on Operations, the Board hereby appoints or reappoints, as the case may be, officers and members of the Committee on Professional Liability Insurance, as set forth on the form attached to the agenda item and made a part hereof; effective at the close of the 2012 State Bar Annual Meeting (October 14, 2012); each officer and member to serve a term expiring as indicated; or until further order of the Board, whichever occurs earlier.

All members present and recorded on the roll-call slip voted yes.

The Board adjourned its meeting at 10:12 am.

The Board may meet again at the call of the President at any time prior to the next regularly scheduled meeting of the Board, or, if no such meeting be called, at the State Bar offices, 1149 South Hill Street, Los Angeles, CA 90015, on Friday, November 16, 2012, at a time to be determined.