

# **OPEN SESSION AGENDA ITEM**

**50-2 JUNE 2018**

**DATE:** June 15, 2018  
**TO:** Members, Board of Trustees  
**FROM:** James J. Chang, Assistant General Counsel  
**SUBJECT:** Approval of Amendment to the Trust for the Morrison Lecture Foundation

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## **EXECUTIVE SUMMARY**

This item seeks approval for the transfer of the Morrison Lecture, previously held at the State Bar's Annual Meeting, to the California Lawyers Association (CLA). Following the cessation of the State Bar's former convention-style annual meeting and the establishment of CLA, transfer of this event to CLA is appropriate. The trust establishing the Morrison Lecture requires approval of the State Bar Board of Trustees for the proposed amendment that will effectuate this transfer and allow the lecture to be given at CLA's first annual meeting scheduled for September 14-15, 2018, in San Diego.

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## **BACKGROUND**

The Morrison Lecture was established in 1930 in honor of Alexander F. Morrison, co-founder of the law firm Morrison and Foerster LLP. Over the years, the lecture has featured distinguished lawyers and judges and eminent scholars and was historically a highlight of the State Bar's Annual Meeting.

The trust establishing the Morrison Lecture places the responsibility for its administration in part with the State Bar. The trust provides that the lecture shall be administered by a committee comprised of the Chair of the State Bar Board of Trustees (formerly the President of the State Bar), the Executive Director of the State Bar, and one representative of Morrison and Foerster LLP. The trust also requires that the lecture be delivered under the auspices of the State Bar, preferably at its annual meeting. The State Bar currently manages a small fund designated to cover expenses associated with the lecture.

The State Bar Annual Meeting was historically held as a convention-style event over several days including a luncheon or dinner at which the Morrison Lecture was delivered. However, in October 2016, following the Legislature's adjournment without authorizing the State Bar to collect an annual licensing fee for 2017, the State Bar cancelled its contracts for future Annual Meetings and ceased holding convention-style events.<sup>1</sup> Consequently, the Morrison Lecture was not held in 2017.

Also in 2017, the State Bar Board of Trustees supported legislation to separate the former sections of the State Bar into a new private statewide bar association called the California Lawyers Association (CLA). Effective January 1, 2018, CLA assumed the activities of the former sections. CLA plans to

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<sup>1</sup> See Agenda Item 704 October 2016 (cancelling hotel contracts for future Annual Meetings).

hold an Annual Meeting similar to the former State Bar Annual Meeting, with the first such meeting scheduled for September 14-15 of this year in San Diego.

Leadership of the State Bar and CLA agree that the CLA Annual Meeting is the proper venue to host the Morrison Lecture going forward.

## **DISCUSSION**

Amendment of the trust establishing the Morrison Lecture is required to effectuate the transfer of the lecture to CLA. The draft proposed amendment, attached to this item, makes the following changes:

- 1) Substitution of CLA for the State Bar on the Standing Committee – The proposed amendment substitutes the President and Executive Director of CLA for the Chair and Executive Director of the State Bar, respectively, on the Standing Committee that administers the lecture.
- 2) Ratification of 2018 Lecturer Selection – The proposed amendment ratifies the actions taken to date by CLA to select the 2018 lecturer to deliver the lecture at CLA's 2018 Annual Meeting.

In addition to these amendments proposed for board approval, Morrison and Foerster LLP is currently working with the trustee, Wells Fargo, to seek court approval to change the beneficiary of the trust from the State Bar to CLA or to another entity designated by CLA to manage the lecture. This change will allow CLA to assume full responsibility for the lecture going forward, including management of the fund intended to cover the expenses of the lecture. All parties expect the court to approve these changes without controversy.

## **FISCAL/PERSONNEL IMPACT**

The proposed amendment relieves State Bar leadership and staff of the responsibility to select a lecturer and administer the lecture (although in practice, CLA has already assumed those responsibilities; the amendment ratifies those actions).

There is no fiscal impact to the State Bar's general fund.

The State Bar currently holds a fund balance of approximately \$44,370 designated under the terms of the trust to cover expenses associated with the lecture. It is anticipated that expenses for the 2018 Morrison Lecture at the CLA Annual Meeting will be covered by this fund. Following court approval of the change in beneficiary, the remaining fund balance will be transferred to CLA or to another entity designated by CLA to manage the lecture.

## **RULE AMENDMENTS**

None

## **BOARD BOOK AMENDMENTS**

None

## **STRATEGIC PLAN GOALS & OBJECTIVES**

Goal: 1. Successfully transition to the “new State Bar”— an agency focused on public protection, regulating the legal profession, and promoting access to justice.

Objectives: a. Manage and support the transition of the State Bar Sections to a new standalone entity.

b. Determine whether additional State Bar functional areas will transition to the Sections entity, other organizations, or to new standalone entities.

## **RECOMMENDATION**

**It is recommended that the Board of Trustees approve the following resolution:**

**RESOLVED**, that the Board approves the transfer of the Morrison Lecture to the California Lawyers Association; and it is

**FURTHER RESOLVED**, that the Chair of the Board of Trustees and Executive Director are instructed to approve and sign the proposed Amendment to the Morrison Lecture Foundation (attached to this item) upon its finalization; and it is

**FURTHER RESOLVED**, that staff are authorized to take all other appropriate steps necessary to effectuate the transfer of the Morrison Lecture to California Lawyers Association.

## **ATTACHMENT(S) LIST**

- A. Amendment to the August 7, 1943 Restatement of the Declaration of Trust Dated May 9, 1930 for the Morrison Lecture Foundation (June 7, 2018 Draft).

**[DRAFT – 6/7/18]**

**AMENDMENT TO THE AUGUST 7, 1943 RESTATEMENT OF  
THE DECLARATION OF TRUST DATED MAY 9, 1930 FOR  
THE MORRISON LECTURE FOUNDATION**

WHEREAS, the Declaration of Trust dated May 9, 1930 for the Morrison Lecture Foundation, as amended and restated by a Restatement dated August 7, 1943 (collectively, the “Trust”), provides for the establishment of a standing committee (the “Standing Committee”) to supervise the Trustee of the Trust and to select the lecturer to deliver the Alexander Morrison Lecture;

WHEREAS, pursuant to an amendment to the Trust dated August 3, 2005 (the “Amendment”), since September 1, 2005, the Standing Committee has consisted of the President of the State Bar of California, the Executive Director of the State Bar of California, and one member of the law firm of Morrison & Foerster LLP;

WHEREAS, pursuant to California legislation SB 36, effective January 1, 2018, the functions historically performed by the State Bar of California were divided in two, with the State Bar of California continuing to focus on attorney licensing and discipline and a newly created entity, the California Lawyers Association, assuming responsibility for the remaining historic functions of the State Bar, including the convening of an annual meeting of the sections of the lawyers admitted to the State Bar of California;

WHEREAS, the Trust provides for the Alexander Morrison Lecture to be given under the auspices of the State Bar of California, and preferably at its annual meeting, which annual meeting now directly corresponds to the annual meeting of California lawyers to be convened by the California Lawyers Association and no longer corresponds to any annual meeting to be convened by the State Bar of California;

## ATTACHMENT A

WHEREAS, in recognition and support of the assumption by the California Lawyers Association of the responsibility to convene the annual meeting of California lawyers that is the preferred venue for the Alexander Morrison Lecture, and pursuant to the terms of the Trust, the undersigned wish to amend the Trust to modify the composition of the Standing Committee and address the selection of the lecturer for the 2018 Alexander Morrison Lecture;

WHEREAS, due to the restructuring of the State Bar, the governing body of the State Bar now consists of a “Board of Trustees” presided over by a “Chair,” in lieu of a “Board of Governors” presided over by a “President,” and the undersigned State Bar representatives on the Standing Committee are those individuals whose offices directly correspond to the offices identified in current paragraph FIFTH of the Trust, as amended by the Amendment.

NOW, THEREFORE:

1. Amendment of Trust.

Pursuant to paragraph SIXTH of the August 7, 1943 Restatement of the Declaration of Trust dated May 9, 1930 for the Morrison Lecture Foundation, paragraph FIFTH of the restated trust instrument is hereby amended to read as follows:

“FIFTH: Effective as of January 1, 2018, and thereafter throughout the life of this trust, the selection of lecturers for the said Morrison Lecture Foundation, and the supervision of the Trustee, shall be entrusted to and made by a committee to be known as the Standing Committee for the Morrison Lecture Foundation (the “Standing Committee”). The Standing Committee shall consist of the President of the California Lawyers Association, the [Executive Director of the California Lawyers Association], and one member of the law firm of Morrison & Foerster LLP. The member of the said law firm shall be selected by the law

firm and the name of the member so selected shall be communicated to the President of the California Lawyers Association.

“The President of the California Lawyers Association shall serve as chair of the Standing Committee. The Standing Committee shall select and invite the lecturers. The procedure followed by the Standing Committee in selecting and inviting lecturers shall be as determined by the members of the Standing Committee from time to time.

“The Standing Committee, or a member or designee thereof chosen by the Standing Committee for the purpose, shall supervise the investment and reinvestment of the trust properties and the collection and disbursement of the income therefrom. No purchase, sale, investment or reinvestment of trust properties shall be made by the Trustee against the objection of the Standing Committee or the said member or designee thereof chosen to supervise the investment and reinvestment of the trust properties and the collection and disbursement of the income therefrom.

“The Trustee shall pay no compensation and no reimbursement for expenses to any member of the Standing Committee.”

2. Ratification of 2018 Lecturer Selection.

The undersigned current members of the Standing Committee hereby expressly ratify the actions taken prior to the date hereof by the President of the California Lawyers Association, the [Executive Director of the California Lawyers Association], and the

## ATTACHMENT A

Morrison & Foerster LLP-selected member of the Standing Committee to select and invite the lecturer to deliver the 2018 Alexander Morrison Lecture at the California Lawyers Association Annual Meeting.

### 3. Effect on Prior Amendment.

This amendment supersedes the previous amendment to the Trust dated August 3, 2005.

IN WITNESS WHEREOF, the Board of Trustees of the State Bar of California and the current members of the Standing Committee have executed this amendment.

Dated: \_\_\_\_\_, 2018      Board of Trustees

By: \_\_\_\_\_ Chair  
[Name]

Dated: \_\_\_\_\_, 2018      Morrison Lecture Foundation Committee

By: \_\_\_\_\_  
Michael G. Colantuono  
Chair of the State Bar of California

By: \_\_\_\_\_  
Leah T. Wilson  
Executive Director of  
the State Bar of California

By: \_\_\_\_\_  
James M. Schurz  
Morrison & Foerster LLP