STATE BAR OF TEXAS
BOARD OF DIRECTORS POLICY MANUAL

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PREAMBLE

The State Bar of Texas was created not to participate in the general government of the State, but to provide specialized professional advice to those with the ultimate responsibility of governing the legal profession and to advance the role of the legal profession in serving the public. Its members and officers are such not because they are citizens or voters, but because they are lawyers.

MISSION

The mission of the State Bar of Texas is to support the administration of the legal system, assure all citizens equal access to justice, foster high standards of ethical conduct for lawyers, enable its members to better serve their clients and the public, educate the public about the rule of law and promote diversity in the administration of justice and the practice of law**.**

PURPOSES OF THE STATE BAR

In order that the public responsibilities of the legal profession may be more effectively discharged, the State Bar has the following purposes:

(1) to aid the courts in carrying on and improving the administration of justice;

(2) to advance the quality of legal services to the public and to foster the role of the legal profession in serving the public;

(3) to foster and maintain on the part of those engaged in the practice of law high ideals and integrity, learning, competence in public service, and high standards of conduct;

(4) to provide proper professional services to the members of the State Bar;

(5) to encourage the formation of and activities of local bar associations;

(6) to provide forums for the discussion of subjects pertaining to the practice of law, the science of jurisprudence and law reform, and the relationship of the State Bar to the public; and

(7) to publish information relating to the subjects listed in subdivision (6).

DEFINITIONS

Unless otherwise indicated

(1) "Board" or "Board of Directors" means the Board of Directors of the State Bar of Texas.

(2) "Chair" means the Chair of the Board of the State Bar of Texas.

(3) "Chief Disciplinary Counsel" means the attorney selected under §81.076 of the State Bar Act who performs disciplinary functions for the State Bar under the Texas Disciplinary Rules of Professional Conduct and the Texas Rules of Disciplinary Procedure.

(4) "Commission" means the Commission for Lawyer Discipline established under Subchapter E of the State Bar Act and under the Texas Rules of Disciplinary Procedure as a permanent committee of the State Bar, not subject to dissolution by the Board under Article VIII of the State Bar Rules.

(5) "Committee" or "Subcommittee" includes its successor as to any responsibility, duty or authority delegated or assigned by this Policy Manual.

(6) "Director" means a Voting Board Member as specified below.

(7) "District" or "State Bar District" means the Board of Director districts of the State Bar of Texas as set forth in Subsection 1.01.02.

(8) "Elected Director" means a member of the Board elected by the State Bar membership from their district as determined by the Board.

(9) "Executive Director" means the Executive Director of the State Bar of Texas and shall include designees and interim successors.

(10) "Fiscal Year" means June 1 through May 31.

(11) "Metropolitan County'' includes any of the counties of Bexar, Dallas, Harris, Tarrant and Travis of the State of Texas, as well as any other county hereafter so designated by the board.

(12) "Minority Director" means a minority member of the Board appointed pursuant to the State Bar Act.

(13) "Officers" means the President, President-elect and Immediate Past President of the State Bar of Texas.

(14) "Organizational Year" shall be from time of adjournment of the annual meeting of the State Bar one year to the time of adjournment of the annual meeting of the State Bar of the next year.

(15) "President" means the President of the State Bar of Texas.

(16) "President-elect" means the President-elect of the State Bar of Texas.

(17) "Special Committee" means a volunteer committee temporarily established by the Board with a defined limited purpose and whose term of existence extends no longer than the next Annual Meeting following the date of creation unless specifically extended by the Board.

(18) "Standing Committee" means a volunteer committee established by the Board with a defined broad purpose, whose term of existence is indefinite until discontinued by the Board.

(19) "State Bar" means the State Bar of Texas.

(20) "State Bar Act" means Chapter 81 of the Texas Government Code.

(21) "State Bar Rules" means the rules adopted by the Supreme Court of Texas for the operation, maintenance and conduct of the State Bar and for the disciplining of its members.

(22) "TATJC" means the Texas Access to Justice Commission.

(23) "Texas Trade Association" means a cooperative and voluntarily joined statewide association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

(24) "TYLA" means the Texas Young Lawyers Association.

(25) "Voting Board Member" includes:

(A) Officers of the State Bar;

(B) president, president-elect, and immediate past president of the TYLA;

(C) not more than thirty members of the State Bar elected by the membership from their district as determined by the Board;

(D) six persons appointed by the Supreme Court and confirmed by the senate who are not attorneys and who do not have, other than as consumers, a financial interest in the practice of law pursuant to §81.02 of the State Bar Act; and

(E) four Minority Directors appointed by the President.

CONFLICTS WITH ACT AND RULES

The State Bar of Texas is an administrative agency of the Supreme Court of Texas and is subject to the direction of the Court. To the extent any portion of this Policy Manual is inconsistent with any directive, charge, or order of the Court, such directive, charge, or order shall take precedence. Further, nothing contained in this Policy Manual shall be inconsistent or conflict with the State Bar Act, the State Bar Rules or other applicable federal or Texas laws or rules. If there is any such inconsistency or conflict, the State Bar Act, the State Bar Rules, and/or such other applicable laws or rules shall take precedence over this Policy Manual.

PART I. BOARD OF DIRECTORS

1.01 General

1.01.01 Policy Making Body. The Board is the policy-making body of the State Bar of Texas.

1.01.02 Board Districts.

(A) *District 1 Counties*: Bowie, Camp, Cass, Collin, Delta, Fannin, Franklin, Grayson, Harrison, Henderson, Hopkins, Hunt, Kaufman, Lamar, Marion, Morris, Panola, Rains, Red River, Rockwall, Titus, Upshur, Van Zandt, Wood

(B) *District 2 Counties*: Anderson, Angelina, Cherokee, Freestone, Gregg, Houston, Leon, Limestone, Madison, Nacogdoches, Navarro, Rusk, Sabine, San Augustine, Shelby, Smith, Trinity

(C) *District 3 Counties*: Chambers, Hardin, Jasper, Jefferson, Liberty, Montgomery, Newton, Orange, Polk, San Jacinto, Tyler, Walker

(D) *District 4 Counties*: Harris

(E) *District 5 Counties*: Austin, Brazoria, Colorado, Fayette, Fort Bend, Galveston, Grimes, Jackson, Lavaca, Matagorda, Waller, Wharton

(F) *District 6 Counties*: Dallas

(G) *District 7 Counties*: Ellis, Hill, Johnson, Tarrant

(H) *District 8 Counties*: Bastrop, Bell, Bosque, Brazos, Burleson, Caldwell, Coryell, Falls, Hamilton, Lee, Milam, McLennan, Robertson, Washington, Williamson

(I) *District 9 Counties:* Travis

(J) *District 10 Counties*: Bexar

(K) *District 11 Counties*: Aransas, Bee, Calhoun, De Witt, Goliad, Gonzales, Guadalupe, Jim Wells, Karnes, Kleberg, Live Oak, Nueces, Refugio, San Patricio, Victoria, Wilson

(L) *District 12 Counties*: Atascosa, Brooks, Cameron,

Dimmit, Duval, Frio, Hidalgo, Jim Hogg, Kenedy, La Salle, Maverick, McMullen, Starr, Webb, Willacy, Zapata, Zavala

(M) *District 13 Counties*: Armstrong, Bailey, Briscoe, Carson, Castro, Childress, Cochran, Collingsworth, Cottle, Crosby, Dallam, Deaf Smith, Dickens, Donley, Floyd, Foard, Gray, Hale, Hall, Hansford, Hardeman, Hartley, Hemphill, Hockley, Hutchinson, King, Knox, Lamb, Lipscomb, Moore, Motley, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler

(N) *District 14 Counties*: Archer, Baylor, Brown, Callahan, Clay, Coleman, Comanche, Cooke, Denton, Eastland, Erath, Haskell, Hood, Jack, Jones, Montague, Palo Pinto, Parker, Runnels, Shackelford, Somervell, Stephens, Taylor, Throckmorton, Wichita, Wilbarger, Wise, Young

(O) *District 15 Counties*: Bandera, Blanco, Burnet, Coke, Comal, Concho, Crane, Crockett, Ector, Edwards, Gillespie, Glasscock, Hays, Irion, Kendall, Kerr, Kimble, Kinney, Lampasas, Llano, Loving, Mason, McCulloch, Medina, Menard, Mills, Pecos, Reagan, Real, Reeves, San Saba, Schleicher, Sterling, Sutton, Terrell, Tom Green, Upton, Uvalde, Val Verde, Ward, Winkler

(P) *District 16 Counties*: Andrews, Borden, Dawson, Fisher, Gaines, Garza, Howard, Kent, Lubbock, Lynn, Martin, Midland, Mitchell, Nolan, Scurry, Stonewall, Terry, Yoakum

(Q) *District 17 Counties*: Brewster, Culberson, El Paso, Hudspeth, Jeff Davis, Presidio

1.02 Composition of the Board

The Board consists of the following members:

(A) the Voting Board Members; and

(B) the following non-voting members:

(1) the Texas Supreme Court liaison;

(2) the Federal District Court liaison;

(3) the Texas Court of Criminal Appeals liaison;

(4) the chair of the State Bar Judicial Section;

(5) the out-of-state liaison;

(6) the members of the Section Representatives to the Board Committee;

(7) the State Bar immediate past Chair as an ex-officio member;

(8) the Executive Director as an ex-officio member; and

(9) the Chief Disciplinary Counsel as an ex-officio member.

1.03 Elected Directors

1.03.01 General. Elected Directors shall be elected by a majority of the active and emeritus members of the State Bar voting who have their principal place of practice in the same bar district as the candidate. If no candidate receives a majority, a runoff between the two candidates receiving the greatest number of votes shall be held at a time the Board prescribes. The provisions of this Policy Manual concerning State Bar District Director Campaigns shall apply to the campaign activities of the Director run-off candidates.

1.03.02 Term. Each person elected as a Director shall serve a three-year term.

1.03.03 Nominations. An active member's name may be placed in nomination for the office of Elected Director by a written petition in the form prescribed by the Board.

(A) The petition shall be signed by the lesser of five percent (5%) of the active members whose principal place of practice is within the district to be represented by the nominee if elected or one hundred of such members.

(B) The petition must be received in the office of the Executive Director on or before March 1 of the year of election.

(C) The Executive Director shall promptly review the petition to verify the eligibility of the nominee.

(D) If from the petition it appears the nominee is eligible, the Executive Director shall certify such eligibility, and that nominee's name shall be listed on the ballot. If from the petition the Executive Director finds the nominee to be ineligible, that fact shall immediately be communicated to the nominee.

(E) Any nominee desiring to appeal the findings of the Executive Director shall forthwith notify the Executive Director, who shall forthwith convene the Executive Committee to hear and determine the matter.

(F) The Executive Committee shall have final authority to determine questions of the eligibility and certification of the nominee and the validity of the nominating petition and shall do so within ten days of the notice to the Executive Director.

(G) The petitions may be in counterparts and signatures on counterparts are permissible.

(H) If no valid petition nominating an eligible person in a

district in the year in which such district is to elect a Director has been received by the Executive Director by March 1, or if all persons who have been nominated shall have died or become disqualified from serving at any time before the election ballot is printed, then the President, with the advice of the person then serving as Elected Director or Directors from that district, shall name a qualified person to stand for election as Director from that district.

1.03.04 Candidate Certification Form. Candidates for Elected Director shall be required to sign a candidate certification form, which must be received in the office of the Executive Director at the same time as the petition. The certification form shall set forth the eligibility requirements and shall contain the following:

> "As a candidate for the office of director, I, _____, certify that I understand the following criteria as contained in the State Bar Rules, Article IV, §5(A), relating to serving as a director of the State Bar of Texas, and that after reviewing the criteria, I am eligible to serve as a director. I further certify that I have read and agree to be bound by the provisions of the State Bar Board of Directors Policy Manual regarding the rules and restrictions relating to campaigns for the office of director and regarding the role of the Nominations and Elections Subcommittee in such campaigns.
>
> Signature: _____
> Date: _____

1.03.05 Eligibility Requirements*.* No person may serve as an Officer or member of the Board who:

(A) has not taken the official oath by the second regular Board meeting following the commencement of the term for which he was elected or appointed;

(B) as to an elected or *ex officio* member of the Board or an Officer, is not an active member in good standing;

(C) as to an elected or *ex officio* member of the Board or an Officer, has ever been suspended or disbarred from the practice of law;

(D) as to an Elected Director, does not maintain in the district from which elected, his principal place of practice;

(E) as to an Elected Director, has his principal place of practice in the same county as the last preceding Elected Director from that district, except for an Elected Director in a metropolitan county or in El Paso County;

(F) as to an Elected Director, has previously served at least one and a half (1 1/2) years of the immediately preceding Director's term;

(G) is, or becomes, incapacitated from performing the duties of such office for all or a substantial portion of such term;

(H) as to a member of the Board, fails to attend without good cause, any two (2) consecutive regular meetings of the Board or any four (4) meetings of the Board;

(I) as to a public Director, has failed confirmation by the Senate of the State of Texas;

(J) is an elected official paid by the State of Texas, except that such prohibition shall not apply to public Directors or liaisons; or

(K) as to a director or a director's spouse, is an officer, employee, or paid consultant of a Texas Trade Association in the field of board interest as defined in State Bar Act §81.028.

1.03.06 Failure to Qualify*.* If an Elected Director fails to qualify, the Elected Director shall be deemed to have vacated the position.

1.03.07 Sample Petition Form

PETITION FOR ELECTION

> We, the undersigned, being at least five percent of the members of the State Bar whose principal place of practice is in the _____ bar district, or one hundred of such members, whichever is less, do hereby nominate _____ of _____ as a candidate for director of the State Bar of Texas from that district and request that his or her name be placed on the official ballot for (year), pursuant to Article IV, §7 of the State Bar Rules.
>
> The proposed candidate meets the requirements for director as stipulated in Article IV – Administration, §5, Qualifications of Officers and Directors, parts (A), (1) through (11) of the State Bar Rules.
>
> Signature: _____
>
> Printed Name: _____
>
> Bar Card Number: _____

1.03.08 State Bar District Director Campaign

(A) *Definitions*

(1) *Director Candidate*. Any person whose eligibility as a candidate has been certified by the Executive Director or the Executive Committee pursuant to subsection 1.03.03

or who has been appointed by the President to stand for election pursuant to subsection 1.03.03(H).

(2) *Campaign*. Any activities and communications in any form by or at the direction of a Director Candidate for the purpose of gaining votes for the election as Elected Director.

(3) *Social Media.* Websites and internet-based applications that enable users to create and share content and/or participate in social networking, including, but not limited to Facebook, LinkedIn, and Google+.

(B) *Activities*. Director Candidates must cease campaigning on the date the ballots are distributed.

(C) *Conduct*. Director Candidates will conduct the Campaign in a professional and dignified manner. In communicating with State Bar members, whether by letter, card, fax, email or telephone, Director Candidates shall concentrate on the merits of their candidacy and refrain from personal attacks against other Director Candidates.

(D) *Online Campaign Activities.*

(1) Director Candidates may Campaign online prior to the distribution of ballots by use of a personal campaign website and/or campaign Social Media. Campaign websites and campaign Social Media may include information about the Director Candidate's qualifications and professional background, as we as scheduled dates of appearances at meetings of local bar associations or other professional associations for the purpose of campaigning, and reports on and comments regarding such appearances.

(2) Prior to the distribution of ballots, a Director Candidate may respond to questions or comments posted on the Director Candidate's campaign websites and Social Media.

(3) Director Candidates are responsible for monitoring all posts and comments on their campaign websites and campaign Social Media both prior to and following the distribution of ballots, with the objective of assuring civility and professionalism in the Campaign. Director Candidates should promptly remove content or comments that are offensive, contain vulgar language, or include personal attacks of any kind, or which are repetitive or intrusive and might be considered spam.

(4) After the distribution of ballots has begun, a Director Candidate's campaign website and campaign Social Media may remain online; provided however, that the Director Candidate or anyone at his or her direction may not post any additional information on his or her campaign website or campaign Social Media.

(E) *Campaign Supporters*. Throughout the course of the Campaign, Director Candidates shall inform their supporters regarding these campaign guidelines and restrictions, and shall encourage their supporters to follow these guidelines and restrictions to the extent applicable in an effort to enhance and maintain the integrity of the Campaign and election process. Director Candidates may not request their supporters to undertake Campaign activities that the Director Candidates themselves are not permitted to undertake. In the event a Director Candidate learns that a supporter of his or her candidacy has undertaken any such Campaign activity, the Director Candidate shall notify the chair(s) of the Nominations and Elections Subcommittee as soon as possible.

(F) *Oversight*. Director Candidates shall consult with the chair(s) of the Nominations and Elections Subcommittee concerning the interpretation of these rules, and the chair(s) shall render a decision concerning such matters. If a Director Candidate wishes to appeal a decision of the Subcommittee chair(s), then the appeal must be submitted in writing to the Nominations and Elections Subcommittee within two business days of the Subcommittee chair(s)' decision. Except as otherwise provided in this Policy Manual, the Nominations and Elections Subcommittee shall supervise the guidelines, eligibility, nominations, campaign, election, and election results to ensure compliance and shall resolve all disputes and decide all penalties. Decisions and interpretations made by the Subcommittee hereunder shall be final.

1.04 Minority Directors

1.04.01 Qualifications. To be appointed as a Minority Director, such person must:

(A) be a member in good standing of the State Bar;

(B) have never served, or is not currently serving as a Minority Director or as an Elected Director; and

(C) be female, African-American, Hispanic American, Native American, or Asian American.

1.04.02 Term. Each person appointed as a Minority Director shall serve a three-year term. No Minority Director shall be eligible to seek an Elected Director position on the Board.

1.04.03 Nominating Committee

(A) The nominees for Minority Directors will be selected by a five-person nominating committee. The nominating committee shall be composed of three members from the Board, appointed by the Chair, one member from the State Bar's Women in the Profession Committee, appointed by the chair of the committee, and one member from the State Bar's Diversity in the Profession

Committee, appointed by the chair of the committee. The chairs of the Women in the Profession Committee and the Diversity in the Profession Committee shall submit their appointments to the Chair on or before September 15 of each year.

(B) The Chair will appoint the chair of the nominating committee on or before October 1 of each year. The chair of the nominating committee shall have the duties and responsibilities set forth in this Subsection and shall be responsible for chairing all nominating committee meetings.

(C) The nominating committee is responsible for collecting and evaluating recommendations for nominees for Minority Directors and shall submit, on or before March 1 of each year, to the President two nominations for each vacant Minority Director position. Members of the nominating committee are not eligible for consideration as a nominee for Minority Director. The appointment shall be announced to nominees not later than April 1 of each year.

(D) The President shall appoint the Minority Directors from the list of nominees submitted by the nominating committee, subject to the confirmation by the Board at the third quarterly Board meeting.

1.04.04 Selection Procedures

(A) On or before October 15 of each year, the chair of the nominating committee shall send letters to every member of the Board and minority bar associations listed with the State Bar to solicit candidates for consideration as nominees for Minority Director. All members of the Board, all minority bar associations and all members of the nominating committee may submit to the chair of the nominating committee names of candidates for nominee for Minority Director. No member of the nominating committee may nominate himself or herself.

(B) Nominating packages should be sent to the chair of the nominating committee, and must be received on or before December 15 of each year. A complete nomination package shall consist of a nomination letter from a third party and a resume that must disclose year of licensure, ethnic membership, gender and place of residence and practice. A nomination package may also include letters of recommendation. No other written information or documentation will be accepted by the nominating committee in considering candidates. The nominating committee may conduct interviews if it deems it necessary in the selection process.

1.04.05 Selection Criteria

(A) Any minority lawyer in good standing with the State Bar is eligible to be nominated as a Minority Director, provided such lawyer has never served, or is not currently serving as a Minority Director or as an Elected Director. To the fullest extent possible, the nominating committee shall only nominate persons to be Minority Directors who demonstrate the sensitivity and knowledge gained from experience in the profession and the community necessary to represent the interests of minority lawyers.

(B) A Minority means a member of the State Bar who is female, African-American, Hispanic American, Native American, or Asian American.

(C) The nominating committee shall be guided by, but not limited to, the following criteria in selecting its nominees for Minority Director:

(1) the minority population of the area in which the candidate resides and practices;

(2) the degree of minority representation already on the Board from a particular geographic area;

(3) demonstration of leadership ability;

(4) involvement in civic or political activities within the minority community;

(5) participation in minority bar associations;

(6) participation in local bar, State Bar and American Bar Association committees and activities;

(7) year of licensure.;

(8) number and content of recommendation letters; and

(9) ethnicity and gender.

1.05 Liaisons to the Board

1.05.01 Supreme Court Liaison. A justice of the Texas Supreme Court designated by the Chief Justice to serve until a successor is appointed.

1.05.02 Court of Criminal Appeals Liaison. A judge of the Texas Court of Criminal Appeals designated by the Presiding Judge to serve until a success is appointed.

1.05.03 Chair of the Judicial Section. The Chair of the State Bar Judicial Section shall serve as a non-voting liaison to the Board during his or her term of office.

1.05.04 Federal Judiciary Liaison. The chief judges of the four federal court districts in Texas, or their designees, will serve one-year rotating terms as non-voting liaisons to the Board in the following order: Southern District, Eastern District, Northern District, and Western District.

1.05.05 Out-of-State Liaison. The President shall appoint an active member of the State Bar who resides outside the State of Texas to serve as a non-voting liaison to the Board to represent the concerns and interests of lawyers who are licensed to practice law in the State of Texas but who reside outside of the State of Texas. The term of appointment shall be for three years.

1.05.06 Authority and Restrictions

(A) A liaison will have the right to be heard on any issue pending before the Board, subject to the Chair's reasonable limitations.

(B) A liaison will have the right to attend all open meetings of the Board.

(C) A liaison has no authority to sponsor, move the adoption of, or second the adoption of any motion affecting any matter before the Board.

(D) A liaison has no authority to be present during closed or executive sessions of the Board unless invited to remain by the Chair.

(E) A liaison has no authority to vote on any matter pending before the Board.

(F) A liaison may not serve in any capacity as an elected officer of the Board.

(G) Liaisons shall not count as members of the Board for purposes of calculating a quorum of the Board.

(H) Liaisons may be appointed to serve as advisors to any section or committee of the State Bar, but are not permitted to vote on matters affecting the section or committee, either before the section or committee or during Board meetings.

(I) Liaisons may be appointed to serve as members of any committee of the Board, but are not entitled to vote on matters pending before the Board committee and are not entitled to be counted as a part of a quorum for purposes of the meeting of the committee.

1.06 Vacancies

1.06.01 Definition. A vacancy means the death of a Board member, judgment of incompetence by a court of competent jurisdiction, a Board member's resignation or removal, or any failure to qualify.

1.06.02 Elected Directors. When the position of an Elected Director is vacant, the President shall appoint a member to fill the vacancy whose principal place of practice is within the district in which the vacancy has occurred.

1.06.03 Ex Officio Board Members. Vacancies in *ex officio* Board positions shall be filled by the person who succeeds to the office in the State Bar or in the TYLA to which the position is incident, except that the position incident to the office of Immediate Past President of the State Bar or the TYLA, or immediate past chair, shall be filled by the most recent holder of those offices, respectively, who is willing to serve.

1.06.04 Minority Directors. In case of a vacancy in an appointed minority directorship, the President shall appoint a member from the last nominations submitted to the President under the policy and procedures adopted by the Board for the nomination of Minority Directors. If, for any reason, the remaining nominated individuals are unable or unwilling to serve, the President, after interviewing at least two nominees, shall appoint from prior nominated individuals.

1.06.05 Public Directors. Vacancies in public directorships shall be filled in the same manner and by the same authority designated by statute to fill those positions.

1.06.06 Term. Those appointed to fill a vacancy shall serve the balance of the term of the particular position vacated.

1.07 Reporting Misconduct

Each member of the Board has the duty to immediately inform the Chief Disciplinary Counsel of any information that a lawyer has committed a violation of applicable rules of professional conduct that raises a substantial question as to that lawyer's honesty, trustworthiness or fitness as a lawyer in other respects.

1.08 Required Disclosures

Directors shall be subject to disclosure as stipulated in the Texas Government Code, Title 5, Subtitle B, Chapter 572, Subchapter B, §572.021.

1.09 Insurance Coverage

Members of the Board shall be provided with Directors and Officers insurance coverage at State Bar expense with adequate and reasonable coverage amounts and policy terms as determined annually by the Board.

1.10 Endorsement of Candidates

Current Officers and members of the Board shall not in their official capacity, endorse any candidate for any elective office, including but not limited to candidates for State Bar of Texas offices.

1.11 Chair

1.11.01 Selection. The Chair for the following Organizational Year shall be elected by a majority of Directors in an open meeting at the third quarterly Board meeting of each year.

1.11.02 Nominations. A second year Director who desires to be nominated for the position of Chair shall notify the Chair in writing before the second quarterly Board meeting of his or her intention to seek that position for the following Organizational Year. The Chair, at the second quarterly meeting, shall advise the Board of those Directors who have placed their names in nomination to serve as Chair for the following Organizational Year.

1.11.03 Statement of Position. Each Director nominated for Chair shall provide the Chair with a one- or two-page statement of that Director's views and strategies relative to the issues which that Director believes are of greatest significance to the Board and the State Bar. Candidates are encouraged to include a discussion of these issues in the context of the overall strategic plan previously approved by the Board.

1.11.04 Method of Voting. At the second quarterly meeting, the Chair shall conduct a vote by show of hands to determine the method of voting, whether by show of hands or by written ballot, to be used at the third quarterly Board meeting for the election of the Chair.

1.11.05 Election. At the third quarterly Board meeting, the Chair shall conduct a vote among voting members, as provided in the preceding Subsection, for Chair for the following Organizational Year, selecting from among those Directors who have been announced by the Chair at the second quarterly meeting as having placed their names in nomination. Prior to the vote, the Chair shall offer all candidates for Chair the opportunity and time to leave the room during the vote. The Executive Director shall count the votes and the Chair shall announce the results immediately.

1.11.06 Failure of a Majority. If no Director receives a majority of the vote, the Chair shall immediately arrange for a runoff for the remaining Directors, excluding the Director(s) receiving the lowest number of votes and successively holding runoffs excluding the Director(s) receiving the lowest number of votes in each runoff until one Director receives a majority of the votes. The Executive Director shall count the votes of the runoff(s) and the Chair shall announce the results of the runoff(s) immediately.

1.11.07 Tie Vote. In the event of a tie in a runoff, the Chair shall be entitled to vote to break the tie.

1.12 Meetings of the Board

1.12.01 Meetings. The Board shall meet regularly at least four times annually, and may hold additional meetings, at such times and places as the Board shall determine. All meetings shall be held within the State of Texas. The regular meetings shall be held as follows:

(A) The first quarterly meeting of the Board shall be held in September or October of each year.

(B) The second quarterly meeting of the Board shall be held in January or February of each year.

(C) The third quarterly meeting of the Board shall be held in March or April of each year.

(D) The fourth quarterly meeting of the Board shall be held at the State Bar annual meeting.

1.12.02 Presiding Officer of Board Meetings. The Chair shall preside at all meetings of the Board; provided, however, that the President shall preside at such meetings in the absence of the Chair.

1.12.03 Parliamentary Authority. The rules contained in the current edition of the *Robert's Rules of Order Newly Revised* shall govern the Board in all cases to which they are applicable and in which they are not inconsistent with this Policy Manual, the State Bar Rules or the State Bar Act.

1.12.04 Agenda and Minutes.

(A) The Chair, in consultation with the Officers and Executive Director, shall set the agenda for all meetings of the Board. Any voting or non-voting member of the Board may request that an item be placed on the agenda of any regular Board meeting by delivering such request in writing to the Chair and the Executive Director at least fourteen days before the date scheduled for the meeting.

(B) Notwithstanding the Chair's authority to set the agenda, if any ten Voting Board Members request in writing that an item be placed on the agenda for discussion or action, such item shall be placed on the agenda in accordance with such request. Such requests must be delivered to the Chair and the Executive Director at least fourteen days before the date scheduled for the meeting.

(C) Each member of the Board, no later than seven days before a meeting of the Board shall be furnished with an agenda of all items to come before the Board at such meeting along with any written materials relating to such items available at that time.

(D) The Board shall keep regular minutes of all meetings.

1.12.05 Emergency Meetings of the Board. The Chair may call emergency meetings of the Board to consider a matter deemed an emergency or when there is an urgent public necessity as defined by the Texas Open Meetings Act (Tex. Govt. Code Ch. 551). Notice of such emergency meetings shall be posted for such time and in such manner as is required by the applicable provisions of the Texas Open Meetings Act. If, after reasonable attempts to contact the Chair to call an emergency meeting, the Chair is unavailable, the President may call the emergency meeting under this provision.

1.12.06 Voting and Quorum. Pursuant to the State Bar Act, Directors must be present in person to vote on any matter coming before the Board. Voting by proxy is not allowed. The presence of a majority of those entitled to vote at the Board meeting shall constitute a quorum.

1.12.07. Public Participation. Subject to the following provisions, the general public shall be allowed a reasonable opportunity to appear before the Board at each Board meeting and to speak on any issue under the jurisdiction of the Board.

(A) A member of the public wishing to address the Board must sign in on a public comment registration card provided at the meeting indicating their name, whether they are an attorney or a member of the public, the topic upon which they wish to speak, and whether they wish to speak for or against a particular action item on the Board's agenda.

(B) The Chair shall have discretion to set reasonable limits on the number of presentations which will be allowed and on the time allocated for each public presentation, provided that the allotted time limitations on each public presentation are applied equally.

(C) If there are two or more members of the public who wish to address the Board on a common issue and to express a common position on the issue, the Chair shall have the discretion to request them to allow one spokesperson to address the Board on their behalf.

(D) Presentations made pursuant to this provision may not include any audio/visual components including, but not limited to, computer-based presentations, videos or recordings. Public members may, however, make available written comments for the Board regardless of whether they speak at the meeting.

1.12.08 Excused Absences from Board Meetings

(A) A Director may be removed from the Board at any regular meeting by resolution declaring the Director's position vacant if the Director has been absent, without cause considered adequate by the Board, from any two consecutive regular meetings of the Board or from a total of four regular meetings during the Director's term of office.

(B) A Director seeking the Board's excuse of an absence from any meeting of the Board shall, at the earliest opportunity before the meeting, deliver to the Executive Director a request in writing (including letter, memo, email, facsimile, or other means of electronic communication). If for any reason the Director is unable to deliver the request before the meeting at which such Director is to be absent, the Director shall deliver the request to the Executive Director as soon as practicable after the meeting.

(C) If a Director's absence is included in the following list of reasons, the Executive Director may excuse the absence and report the same at the next meeting of the Board. The reasons deemed adequate by the Board for excused absences are:

(1) illness of the Director or a member of the Director's family, or other medical reason necessitating absence from the meeting;

(2) conflicts in the Director's practice of law or profession that cannot be reasonably rescheduled to allow the Director to attend the meeting;

(3) personal or family commitments that cannot reasonably be rescheduled to allow the Director to attend the meeting.

(D) If, after receiving the request for an excused absence, the Executive Director finds that the reason for the absence is not in the above list, the request shall be included in the consent agenda for action at the next Board meeting. The reason shall be reported only in such detail as is reasonably required for the Board to act on the request.

(E) Any Director who does not submit to the Executive Director, the Chair or the President, a written request for an excused absence (including letter, memo, email, facsimile, or other means of electronic communication) and the grounds therefor shall be deemed to have an unexcused absence.

1.13 Section Representatives to the Board Committee

All members of the Section Representatives to the Board Committee shall be invited to attend all meetings of the Board and shall be given the same notice and materials provided to Board Members. Members of the Section Representatives to the Board Committee may be appointed by the Chair to Board committees as members and as chairs. When serving on any Board committee other than the Executive Committee and the Budget Committee, members of the Section Representatives to

the Board Committee shall be counted toward a quorum for such committees and they may vote on matters coming before such committees.

1.14 Board Committees

1.14.01. General. The Chair, in consultation with the President, shall organize the Board into committees and, except as otherwise provided in this Policy Manual, shall appoint members of the Board to such committees. To the extent reasonably possible, the Chair shall appoint an odd number of members to each Board Committee and shall consider continuity and experience in making appointments.

1.14.02. Board Committees. The following Board committees shall be appointed each year, and shall be charged with the duties as described below. Nothing in the description of the charge and duties of each Board committee below, however, is to be construed as limiting the authority of the Chair, the President, the Board, or the Court to expand or narrow the scope of the committee's function as may be deemed appropriate from time to time.

(A) *Administration Committee.* This committee shall advise and assist the Executive Director in the administrative operation of the State Bar and shall assist as directed with other projects having an impact on the internal organization of the State Bar.

(B) *Audit and Finance Committee*. This committee shall follow the monthly financial results and report to the Board on matters relating to the State Bar's financial conditions. Additionally, this committee will serve as the liaison between the independent auditors, investment managers and the Board by receiving the annual financial audit, internal audit and quarterly investment reports. The committee will also review and recommend necessary changes to the Board relating to policies and procedures in place to comply with financial best practices and legal requirements, such as the Public Funds Investment Act and the Public Funds Collateral Act.

(C) *Budget Committee.* This committee shall advise and assist the Executive Director in the preparation of the annual budget of the State Bar for the next Fiscal Year.

(D) *Discipline and Client Attorney Assistance Committee*. This committee shall monitor the policies, procedures and practices of the Chief Disciplinary Counsel's office without violating the confidentiality of the grievance process; coordinate with the Commission for Lawyer Discipline to ensure the successful operation of the Discipline/Disability System; facilitate the reporting of the Chief Disciplinary Counsel to the Executive Director on administrative matters; advise the Board and assist the Court as directed concerning any proposed revisions to the Texas Disciplinary Rules of Professional Conduct or the Texas Rules of Disciplinary Procedure; and follow the work of the Commission for Lawyer Discipline and the Board of Disciplinary Appeals.

(E) *Executive Committee.* The general purpose of the Executive Committee shall be to perform between meetings of the Board such functions, consistent with the State Bar Act or the State Bar Rules, as the Board may assign to it from time to time.

(F) *Member Services and Education Committee*. This committee shall provide guidance in and oversight of the services and programs offered to State Bar members.

(G) *Public Services and Education Committee.* This committee shall provide guidance in and oversight of the services and programs of interest to the citizens of Texas.

1.14.03. Referenced Subcommittees. In addition to these Board Committees, certain provisions of this Policy Manual provide for the following subcommittees:

(A) Appeals-Grant Review Subcommittee

(B) Client Security Fund Subcommittee

(C) Legislative Subcommittee

(D) Nominations and Elections Subcommittee

(E) Policy Manual Subcommittee

(F) Professional Development Subcommittee

1.14.04. Special Board Committees and Task Forces. From time to time, the President, in consultation with the Chair, may establish and appoint members to special Board committees or task forces to consider particular issues, programs, or initiatives, and to advise and make recommendations to the Board concerning those issues, programs, or initiatives. Special Board committees and task forces may include non-Board members in addition to members of the Board as the President may deem appropriate, and, if so provided by the President, these non-Board members may vote on issues before the special Board committees or task forces. The duration off such special Board committees or task forces shall coincide with the President's tenure in office, but may be continued by the succeeding President(s) who may appoint new members if necessary or desired.

1.14.05 President Elect Task Forces. The President-elect, in consultation with President and the Chair, may establish and appoint members to special task forces to consider particular issues, programs, or initiatives, and to advise and make recommendations to the Board concerning those issues, programs, or initiatives. Such task forces may consist of non-Board members and/or

Board members as the President-elect may deem appropriate. The duration of such special task forces shall coincide with the President-elect's tenure in office and, unless sooner terminated, shall continue through his or her tenure in the office of President. Such special task forces may be continued by the succeeding President(s) who may appoint new members if necessary or desired.

1.14.06 Scope of Authority. Board committees, special Board committees, and task forces serve to advise and make recommendations to the Board on activities, business, and policy of the Board and the State Bar in furtherance of the objectives and purposes of the State Bar. They do not have final authority to supervise or control public business or public policy of the Board or the State Bar. All actions taken by a Board committee are subject to the review and approval of the Board.

1.14.07. Meetings of Board Committees, Special Board Committees, Task Forces. Meetings of each Board committee or special Board committee or task force may be called by the chair of the committee or task force. Such meetings may be held in person or by teleconference as the chair of the committee or task force determines appropriate, and members may cast their votes on matters before the committee or task force in person, by phone, or electronically. Meetings of Board committees or special Board committees or task forces are not open to non-members, although the committee or task force may request or allow non-members to attend in furtherance of its charge.

1.15 Executive Committee

1.15.01 Composition. The Executive Committee consists of:

(A) the President, the President-elect, and Immediate Past President;

(B) the Chair;

(C) the president of the TYLA;

(D) the Executive Director and the Chief Disciplinary Counsel as non-voting *ex officio* members; and

(E) additional members appointed by the President, though such appointments should not exceed ten (10).

The President serves as chair of the Executive Committee. The Chair serves as vice-chair of the Executive Committee and presides over its meetings in the President's absence or at the President's request.

1.15.02 Presidential Appointments. In making appointments to the Executive Committee under Subsection 1.15.01(E) above, the President, in consultation with the Chair, should ensure adequate diversity and adequate representation of the Board, Minority Directors, Public Members of the Board and TYLA leadership on the Executive Committee.

1.15.03 Executive Committee Subcommittees. Subcommittees of the Executive Committee may include Board Members who are not members of the Executive Committee; provided, however, that each subcommittee of the Executive Committee must have at least one member who is also a member of the Executive Committee.

1.15.04 Meetings. The President may call such meetings of the Executive Committee at such times and at such places as he or she shall reasonably determine upon seven-days' notice to all members of the Executive Committee. Members of the Executive Committee may participate in meetings by telephone or videoconference provided such participation is approved by the President. Members of the Executive Committee entitled to vote must be present in person to vote on any matter coming before the Executive Committee. Voting by proxy is not allowed. The presence of a majority of those entitled to vote at the Executive Committee meeting shall constitute a quorum. Meetings of the Executive Committee are subject to the Texas Open Meetings Act, (Tex. Govt. Code, Ch. 551). The Executive Committee shall keep regular minutes of all meetings.

1.15.05 Emergency Meetings of the Executive Committee. The President may call emergency meetings of the Executive Committee to consider a matter deemed an emergency or of urgent public necessity as defined by the Texas Open Meetings Act (Tex. Govt. Code Ch. 551). Notice of such emergency meetings shall be posted for such time and in such manner as is required by the applicable provisions of the Texas Open Meetings Act. If, after reasonable attempts to contact the President to call an emergency meetings, the President is unavailable, the Chair may call the emergency meeting under this provision.

1.15.06 Authority. The Executive Committee shall, at its meetings, consider the agenda for upcoming Board meetings, and may make recommendations to the Board on any matters coming before the Board. The Executive Committee may also take all action and may exercise such authority as has been delegated to it by the Board; provided, however, that such delegation by the Board shall not relieve the Board or any Director of any responsibility imposed upon it, or upon any Director, by law.

1.16 Board Advisors to Committees and Sections

1.16.01 Board Advisors to Committees. The Chair shall appoint a Board advisor and alternate Board advisor for each committee to act as liaison between the committee

and the Board. The Board advisors shall receive copies of minutes or reports of the committees assigned to them, shall have primary responsibility for ensuring that these committees are fulfilling their responsibilities, and, if requested, shall report at each meeting of the Board. The Board advisor or alternate Board advisor is to attend each committee meeting. If neither the Board advisor nor the alternate Board advisor is able to attend a committee meeting, then a substitute member of the Board located by the Board advisor, or the President, President-elect, Chair, Executive Director or designee should attend.

1.16.02. Board Advisors to Sections. In consultation with the Chair, the President shall appoint a Board advisor and alternate advisor to act as liaison between each section and the Board. The Board advisors shall receive copies of the section newsletter, agendas and minutes of council and section meetings, and other reports of the sections assigned to them. Participation and interaction between the sections and their advisors is encouraged.

1.17 Affiliated Entities

1.17.01 Affiliated Entities. Affiliated entities are those entities to which the Board or President appoints or approves the appointment of more than half of the members of their governing bodies, or those entities which are fully funded by the State Bar. Affiliated entities include, without limitation, the College of the State Bar of Texas, Inc., Law Focused Education, Inc., the State Bar of Texas Insurance Trust, the Texas Board of Legal Specialization, the Texas Bar Foundation, the Texas Center for Legal Ethics and Professionalism, Inc., and the Texas Legal Protection Plan.

1.17.02 Agreements. The Board may enter into agreements and other arrangements with such associated entities as it deems appropriate to further the purposes and objectives of the State Bar.

1.17.03 Reports and Information.

(A) The Board may require that an affiliated entity annually submit to the Executive Director:

(1) its annual budget and goals for the upcoming year;

(2) its annual report for the previous year; and

(3) its financial audit for the previous year

(B) The Board may periodically request affiliated entities to provide the Executive Director other information including, but not limited to, their strategic plans, marketing reports, performance measures reports, and internal audit reports.

1.18 Judicial Poll

At the direction of the Supreme Court, the Board may authorize a judicial poll of the State Bar membership setting forth the conduct, tabulation, and publicity of the poll. The poll shall cover the races for the Supreme Court, the Court of Criminal Appeals and the Courts of Appeals.

1.19 Annual Meeting

1.19.01 General. The State Bar shall hold an annual meeting during the month of June or July at such location as determined by the Board.

1.19.02 Annual Meeting Events.

(A) The Presidents' Party shall be the major social event of the annual meeting. No other event shall be scheduled at the same time.

(B) The President shall host social events, which may be by invitation only, both in the President's suite and at other places during the annual meeting, as the President deems necessary in the discharge of his or her duties as the official representative of the State Bar at the annual meeting. All the social events shall be at the State Bar's expense, subject to limits as set in §3.13 of this Policy Manual regarding alcoholic beverages. Officers and Directors other than the President shall refrain from hosting private social events during the annual meeting.

(C) A prayer breakfast may be held at each annual meeting but shall not be sponsored by or be the financial responsibility of the State Bar.

1.19.03 Annual Meeting Badges. The Executive Director shall provide at each annual meeting a distinctive annual meeting badge for past State Bar presidents, fifty-year lawyers, current Officers and Board Members, and other appropriate persons, such as visiting bar presidents.

1.19.04 Annual Meeting Registrations.

(A) All registrations and hotel reservations shall be processed through the State Bar headquarters.

(B) Any registration fee for the annual meeting shall be waived for former State Bar presidents.

(C) The annual meeting fees for attorneys and law students shall be established by the Board on the recommendation of the Executive Director.

(D) Law students must pay for all ticketed events.

1.19.05 Annual Meeting Resolutions.

(A) The State Bar shall have a standing committee on

annual meeting resolutions. The purpose of this committee is to receive, compile, prepare for consideration, and consider all resolutions to be submitted to the annual meeting of the State Bar. It has the duty to amend, accept, or reject any resolutions that are properly brought before it. The committee has the further duty to present a report to the final meeting of the general assembly of the annual meeting of the State Bar concerning all resolutions properly brought before the committee including rejected resolutions.

Courtesy resolutions shall not be governed by such policies and procedures and shall be prepared by the President and approved or rejected by the general assembly of the State Bar.

(B) Resolutions approved by the resolutions committee shall be favorably reported to the general assembly of the annual meeting of the State Bar for its consideration.

(C) A resolution adopted by the final general assembly of the State Bar annual meeting may be referred to only as a resolution adopted by the general assembly of the State Bar and shall not be deemed to be nor referred to as the action of the State Bar.

(D) If the general assembly of the State Bar annual meeting adopts a resolution, the Board shall consider such resolution at its next meeting and shall determine whether the resolution is of such importance to call a referendum. The adoption of any resolution by the general assembly shall not require the submission of any referendum to the members of the State Bar.

1.19.06 Procedures for Submitting Resolutions.

(A) Each resolution submitted to the annual meeting resolution committee shall be submitted in triplicate and in typewritten form.

(1) If any document is referred to within a resolution, a copy of the document or its relevant portion must be attached to the resolution.

(2) Each resolution shall include a statement indicating whether it has been approved by any local bar association or by any section or committee of the State Bar. Every proposed resolution must be accompanied by a concise statement of the proponent(s) setting forth the dates of all prior submissions of any substantially similar resolution and the action taken thereon by the annual meeting resolutions committee, the general assembly, and the Board.

(3) Each resolution shall include the name, address, and telephone number of the person or persons submitting the resolution and shall be signed by such person or persons.

(B) All resolutions must be filed with the Executive Director by April 1 unless the time for filing has been waived by the Board.

(C) Each resolution shall be published in an issue of the *Texas Bar Journal* before the annual meeting, together with the name or names of its proponents and the name or names of any local bar association or section or committee of the State Bar approving or endorsing it. The Executive Director may exercise discretion in publishing the proposed resolution in summary form rather than in its entirety. The Executive Director shall furnish copies of each resolution to each member of the annual meeting resolutions committee.

(D) Resolutions relating to events after the deadline for filing resolutions may be considered upon the vote of two-thirds of the voting members of the annual meeting resolutions committee.

(E) At the second quarterly meeting of the Board, the President shall appoint a committee of three or more members, who may be members of the Board, to review the resolutions and hold a hearing or hearings before the meeting of the annual meeting resolutions committee to recommend possible amendments to and consolidation of resolutions. At least one sponsor of each resolution shall be notified of the time and place of all hearings. The recommendations of this committee are not binding on the sponsors of any resolution or on the annual meeting resolutions committee. One member of this committee shall be the immediate past Chair of the Board.

1.19.07 Annual Meeting Resolutions Committee.

(A) The membership of the annual meeting resolutions committee shall consist of the following persons, each of whom shall be a member in good standing of the State Bar:

(1) All past and currently elected Officers and Directors, including all newly elected Officers and Directors who are scheduled to be inaugurated at the State Bar annual meeting;

(2) All currently elected officers and voting directors of the TYLA, including all newly elected officers and voting directors who are scheduled to be inaugurated at the State Bar annual meeting;

(3) One appointed or elected delegate from each State Bar section for each 1,000 section members (or fraction thereof);

(4) Delegates, to be appointed or elected by each local bar association, including each local young lawyers association, from its membership upon the following basis: one delegate for each two hundred fifty members

(or fraction thereof) who are in good standing in the State Bar at the time of their designation. The process of selecting these delegates should encourage participation by women, ethnic and racial minorities;

(5) Properly designated alternates. When any delegate provided for under Subsections 1.19.07(A)(3) or (4) is not present at any session of this committee, any alternate delegate who has been properly designated in the same manner as the absent delegate shall serve.

(6) Delegates and alternates shall be designated to the Executive Director not less than forty-five days before the annual meeting resolutions committee is scheduled to meet. Upon receipt of the names, the Executive Director shall enroll each delegate as a member or alternate member of the committee. The committee may also seat by majority vote any duly accredited delegate who may appear at the annual meeting of the committee without timely designation to the Executive Director.

(7) All disputes concerning credentials will be resolved by majority vote of the annual meeting resolutions committee before any other business is conducted. Delegates whose credentials are in dispute may not vote until the dispute is resolved.

(B) The annual meeting resolutions committee procedures shall be determined by the Board at or before that annual meeting.

(C) Committee officers and members shall hold office only during the meeting at the State Bar annual meeting at which they serve.

1.19.08 Officers. Officers of the annual meeting resolutions committee shall be as follows:

(A) *Chair.* The immediate past Chair of the Board;

(B) *Vice Chair.* The chair of the Texas Young Lawyers Association Board of Directors;

(C) *Secretary.* The chair of the State Bar Local Bar Leaders Standing Committee;

(D) *Parliamentarian*. To be appointed by the President;

(E) *Two alternates.* Two leaders of the local registration committee appointed by the President.

1.19.09 Duties of Officers.

(A) *Chair*. The chair of the annual meeting resolutions committee shall preside at all the meetings of the committee and formulate and present to the final general assembly meeting of the State Bar such annual meeting resolutions as have been adopted by the annual meeting resolutions committee. In addition, the chair shall also perform the other duties that usually pertain to this office.

(B) *Vice-Chair.* On the death, resignation, disability, refusal to act, or temporary absence of the chair, the vice-chair shall perform the duties of the chair.

(C) *Secretary*. The secretary shall keep a true record of the proceedings of all committee meetings and meetings of the committee officers, and an accurate committee membership roll and shall prepare a summary of the proceedings of all committee meetings for publication or other action deemed appropriate by the President. The Executive Director shall be the custodian of all books, papers, documents, and other property of the committee. In performing these functions, the secretary will be assisted by the Executive Director or such staff person as may be directed.

(D) *Parliamentarian.* The parliamentarian shall assist the chair in presiding over the meetings of the committee. Unless otherwise provided, the current edition of *Robert's Rules of Order* will be the governing parliamentary rules.

1.19.10 Procedures Before Meeting of Committee

(A) The Executive Director shall arrange for an adequate room in the headquarters hotel or annual meeting facility. The room shall be arranged to separate by group delegates, alternates, and non-voting members of the State Bar.

(B) The Executive Director shall appoint a sufficient number of registrars to issue credentials to the voting delegates and alternates.

(C) Prior to the meeting of the annual meeting resolutions committee, the Executive Director shall furnish to such duly appointed registrars a list of all duly accredited voting delegates and alternates.

(D) The registrars shall be available at the meeting place ready to issue credentials not later than one hour immediately before each meeting and remain throughout the meeting.

(E) The official annual meeting program shall state the time and place of each meeting of the annual meeting resolutions committee at the annual meeting. If additional meetings of the annual meeting resolutions committee are called after the program has been printed, a sign indicating the time and place of each additional meeting shall be posted at the general registration desk.

(F) At the second quarterly meeting of the Board, the President or the Chair shall request the President of the TYLA to furnish a sufficient number of members of the TYLA to act as sergeants-at-arms at each meeting of the

annual meeting resolutions committee at the next annual meeting of the State Bar. The sergeants-at-arms shall be issued proper credentials and badges of office, and their primary duty shall be to see that all voting delegates and alternates who are entitled to vote are seated in the space provided for them and that no person who is not entitled to vote is permitted in that space.

1.19.11 Meetings of the Annual Meeting Resolutions Committee.

(A) The annual meeting of the resolutions committee shall be held during the State Bar annual meeting and in the same city. The annual meeting of this committee may consist of one or more sessions during the annual meeting of the State Bar, and regardless of the number of sessions conducted, all sessions conducted after the annual meeting of the State Bar convenes shall be considered one single annual meeting of this committee.

(B) Fifty members of the annual meeting resolutions committee possessing voting privileges present at any meeting shall constitute a quorum for the transaction of business.

(C) Every member in good standing of the State Bar may attend any meeting of the annual meeting resolutions committee with the right to speak to, present, or advocate any resolution that is properly before the committee. Only members of the committee may vote on any matters before the committee.

(D) Alternates will be allowed to vote only when the appointed or elected delegate is not in the room when the annual meeting resolutions committee is in session and this absence is certified by the appropriate sergeant-at-arms.

1.19.12 Majority Vote Required. Except as otherwise provided, all actions by the committee shall be taken by majority vote of all members of the committee present and voting at the time the vote is taken, provided that a quorum is present. No voting by proxy shall be permitted.

1.20 American Bar Association Delegation

1.20.01 Nominating Committee. A nine-person nominating committee shall be appointed each year to designate State Bar ABA delegates. The President shall appoint four members, the Chair shall appoint four members, and the Immediate Past President shall chair the committee with the immediate past Chair standing by in the event the Immediate Past President is unable or unwilling to serve. No appointees shall be from the current Board.

1.20.02 ABA Criteria for Solicitation Guidelines. The committee will make nominations that will be acted on by the Board. The nominating committee will select a delegation to propose to the Board with various types of practices, from all sizes and geographic locations of firms, and with ethnic backgrounds reflective of the Bar membership. The nominations deadline is April 1. In the event the committee determines that there is an insufficient number of nominees to fill the vacant ABA delegate positions, or that the nominees as a group are not reflective of the membership of the State Bar, the committee may solicit additional nominees for recommendation. Those additional nominees must be selected for consideration on or before May 1 of each year. Decisions will be made in early May.

1.20.03 Diversity. Written criteria shall be adopted by the Board to serve as a guide for the special nominating committee so that it shall clearly understand that it is charged with the duty of achieving diversity in the Texas delegation.

1.20.04 Committee Recommendation. The special nominating committee shall recommend a slate of ABA delegates to the Board for approval. The slate shall include the exact number of persons needed to fill the ABA delegate slots. If the slate is not approved by the Board, it shall be remanded to the special nominating committee for immediate and further consideration. No member of the nominating committee shall be eligible for appointment or reappointment as an ABA delegate.

1.20.05 Applications. Procedures shall be adopted to publicize the opening of ABA delegate positions so that applicants may submit their names to the special nominating committee. In addition, the special nominating committee shall be entitled to originate names of its own.

1.20.06 Incoming President-elect, President-elect, President. The incoming President-elect, the President-elect, and the President shall hold three of the ABA delegate slots.

1.20.07 Term Limitation. The maximum term of service of an ABA delegate is six consecutive years.

1.20.08 Position Meeting. Before each meeting of the American Bar Association, the Texas ABA delegates shall convene to discuss positions taken by the State Bar.

1.20.09 State Bar Position on ABA Modification. If the State Bar is provided with additional ABA delegates, the State Bar opposes any method or attempt by the ABA Committee on Constitution and Bylaws to modify the right of the Board of the State Bar to determine and set its own policies about who may serve as ABA delegates.

1.20.10 Informing the Board. The Chair shall have the duty to ensure that the Board is informed on matters of concern to the State Bar that may be pending before the

ABA House of Delegates.

1.21 Awards

1.21.01 Generally. The Board may create and grant such awards as it deems appropriate and advisable.

1.21.02 Awards to Local Bar Associations. At the annual meeting of the State Bar, the State Bar may recognize local bar associations with awards of merit and certificates of achievement. The awards of merit may be given for overall programs in each of four divisions based on the size of the association. Certificates of achievement may be given for special projects to every association that qualifies. The awards program and selection are conducted by the Local Bar Services standing committee.

1.21.03 Chair's Award. The Chair may present special awards on recommendation of and under criteria prepared by the Executive Committee.

1.21.04 Fifty Year Lawyers. Lawyers whose fiftieth year of licensure occurs within the year before the annual meeting of the State Bar shall be recognized by the President and presented with appropriate recognition.

1.21.05 Crowley Award. This award is named in honor of the late Michael J. Crowley, a chair of the Board in 1994-1995, who led a distinguished professional life as a prominent Austin lawyer and bar leader. He is also known for establishing the Texas Lawyers' Assistance Program that he pioneered both at the State Bar of Texas and at the American Bar Association.

(A) The Crowley Award is established to recognize the meritorious service by a current Director. The recipient should exemplify selfless dedication of time and talent to the legal profession particularly in a specific project, activity or event including but not limited to the Commission, the Texas Bar Foundation, and related organizations. Such meritorious service should benefit more than just a specific segment of the legal community or of the public. Such service should be of such extraordinary nature that the award should not be given any year unless such exemplary performance is achieved. The Crowley Award is made in the tradition reflected in Subsection 1.21.03 above, but because of its special importance, it is being established pursuant to the inherent authority of the Board, and is not intended to replace or supersede the Outstanding Third Year Director Award, which is traditionally presented at the annual meeting of the Board.

(B) The Chair, immediate past Chair and a former Chair may select a current Director to receive this award. If the immediate past Chair or former Chair is unavailable, the Chair-elect shall serve in their stead. The recipient of the award shall have exemplified selfless dedication of time and talent to the legal profession, particularly in a specific project, activity or event, including, but not limited to the Commission, the Texas Bar Foundation, and related organizations. Such meritorious service should benefit more than just a specific segment of the legal community or public, and should be so extraordinary that the award should not be given any year in the absence of such service. The Board shall pay for the design and inscription of a suitable award to be given to each recipient, and of a plaque containing the names of the award recipients to be displayed in a prominent place at the Texas Law Center.

1.21.06 Legislative Award. After the legislature has adjourned, each member of the legislature who either sponsored State Bar legislation or whom the President determines was a major contributor to the success of the State Bar's legislative program may be given a certificate or other appropriate award.

1.21.07 Presidents' Award. At the annual meeting of the State Bar, the President shall present the Presidents' Award to a member of the State Bar determined to have rendered outstanding service to the State Bar, and appropriate certificates of merit shall be awarded to other persons nominated for the award. The Executive Director shall have the responsibility of designing and selecting the Presidents' Award.

(A) Nominations for the Presidents' Award shall be made by the Board, and the final selection of the award winner will be made on the advice of the past Presidents.

(B) Officers, Directors, and State Bar staff are ineligible to receive the Presidents' Award.

1.21.08 Pro Bono and Legal Service Awards.

(A) *Pro Bono Award*. The Committee on Legal Services to the Poor in Civil Matters shall recommend to the Board organizations to receive awards for outstanding contributions toward guaranteeing the indigent access to the legal system through pro bono.

(B) *Frank Scurlock Award*. The Committee on Legal Services to the Poor in Civil Matters shall recommend to the Board a pro bono attorney deemed to have made an outstanding contribution toward guaranteeing the indigent access to the legal system.

(C) *J. Chrys Dougherty Legal Services Award*. The Committee on Legal Services to the Poor in Civil Matters shall recommend to the Board individual attorneys employed by organizations providing free legal services to the poor, including Legal Services Corporation or IOLTA-funded entities, and deemed to have made an outstanding contribution toward guaranteeing the indigent access to the legal system.

(D) *W. Frank Newton Award*. The Committee on Legal Services to the Poor in Civil Matters shall recommend to the Board a group of attorneys (i.e., law firm, corporate law department, government attorney department, or law school faculty) whose members have made an outstanding contribution in provision of or access to legal services to the poor.

(E) *Pro Bono Coordinator Award.* The Committee on Legal Services to the Poor in Civil Matters shall recommend to the Board an individual, either an attorney or non-attorney, to receive this award who has made an exceptional contribution to the delivery of, and access to legal services for the poor, while serving as the pro bono coordinator for a volunteer attorney organization or group, local bar association, law firm, law school, corporate legal office, governmental law department or legal services organization.

1.21.09 Public Members Award. From time to time the Board may make special awards to public members of the Board on recommendation of and under criteria prepared by the Executive Committee.

1.22 Procedure to Amend Policy Manual

1.22.01 Proposals. Additions or amendments to this Policy Manual may be proposed to the Board by any Board member, a Board committee with jurisdiction over the subject matter, or the Executive Committee. The sponsoring party shall review additions or amendments to the Policy Manual with the State Bar legal counsel and the Policy Manual Subcommittee prior to proposing the change or addition to the Board.

1.22.02 Board Action. Upon consideration by the Board, the Board has the option of approving such change as written and presented to the Board, approving such change as it may be modified by the Board during discussion, or approving the substantive policy and referring the policy to the Policy Manual Subcommittee to draft more appropriate language for a Policy Manual provision. If the proposed change is referred to the Policy Manual Subcommittee, the Board may, at that time, also delegate to the Executive Committee the authority to approve the provision for inclusion in the Policy Manual, subject to the Board's ratification at its next scheduled meeting.

1.22.03 Approval of Draft Provision.

(A) *Executive Committee.* In the event the Board delegates approval authority to the Executive Committee pursuant to paragraph (B) above, the Policy Manual Subcommittee shall present the proposed provision to the Executive Committee for approval at its next meeting.

(B) *Board.* In the event the Board does not delegate approval authority to the Executive Committee pursuant to paragraph B above, the Policy Manual Subcommittee shall present the proposed provision to the Executive Committee at its next meeting, and the Executive Committee will take action to approve the proposal as presented or as revised by a vote of its members. The provision approved by the Executive Committee shall then be recommended by the Executive Committee to the Board for action at its next meeting.

1.22.04 Policy Manual Subcommittee Recommendations. In the event the Policy Manual Subcommittee identifies any substantive issue that may require amendment of the Policy Manual, and the Subcommittee deems such matter to require the expertise of a specific jurisdictional Board committee, the Subcommittee shall recommend to the Executive Committee that the matter be referred to the appropriate Board committee for its consideration and presentation to the Board as the Board committee may deem appropriate.

1.22.05 Other Proposals. All other amendments to the Policy Manual identified by the Policy Manual Subcommittee shall be presented to the Executive Committee by the Policy Manual Subcommittee for consideration and action. If the Executive Committee approves the proposed provision, as presented or modified by the Executive Committee, the Executive Committee shall present the proposed provision to the Board for action at the Board's next scheduled meeting.

1.23 Voting in State Bar and TYLA Elections

Voting in all state-wide or district State Bar and TYLA elections, including elections of directors, elections of officers, and referenda pursuant to the State Bar Act and the State Bar Rules, shall be conducted by secret ballot, whether written or electronic. The State Bar shall not disclose any record or provide any information that would reveal how a particular member of the State Bar voted in any such election. This provision does not apply to votes cast in any meeting that is subject to the Texas Open Meetings Act, Tex. Govt. Code Ch. 551.

PART II. PRESIDENT OF THE STATE BAR OF TEXAS

2.01 Election of President-elect

2.01.01 General. The following guidelines are adopted pursuant to the State Bar Act and the rules promulgated thereunder. The relevant provisions of that act and those rules (Texas Government Code, Title 2, Subtitle G, Chapter 81; State Bar Rules, Art. IV, Sec. 11) are incorporated within these guidelines.

2.01.02 Definitions

(A) *Subcommittee.* The Nominations and Elections Subcommittee of the Executive Committee of the State Bar of Texas.

(B) *Potential Nominee.* Any person whose name is submitted, pursuant to the provisions of Subsection 2.01.07 below, for consideration by the Subcommittee as a Nominee to stand for election to the office of President-elect for the following year, and any person seeking Executive Director certification under Subsection 2.01.05.

(C) *Nominee*. Any person selected by the Nominations and Elections Subcommittee to be voted on by the Board, and anyone who has obtained Executive Director certification pursuant to the provisions of Subsection 2.01.05 below.

(D) *Candidate.* Any person approved by the Board as a candidate, and anyone who has obtained Executive Director certification pursuant to the provisions of Subsection 2.01.05 below.

(E) *Campaign*. Any activities and communications in any form by or on behalf of a Potential Nominee, Nominee, or Candidate for the purpose of gaining votes for the election as President-elect.

(F) *Campaign Period.* The period beginning when Candidates are approved by the Board and ending on the date the ballots are distributed.

(G) *Professional Acquaintance.* A member of the State Bar, including those on inactive status, who a soliciting attorney or Potential Nominee, Nominee, or Candidate knows personally, has met personally during the Campaign Period, or who are in the same Professional Affiliation. An attorney who individually and directly contacts a Candidate requesting information about the Candidate's campaign or position will be considered a Professional Acquaintance of the Candidate. Mere knowledge of the attorney by name or reputation or membership in the same professional, social or alumni organization, specialty bar, section and similar organization does not qualify as a Professional Acquaintance.

(H) *Professional Affiliation*. The firm, company, or employer of the person.

(I) *Endorsement.* A statement (oral or in writing) and/or any electronic communication, by a member of the State Bar of Texas stating or publishing support for a Potential Nominee, Nominee, or Candidate. Endorsement does not include a member of the State Bar of Texas identifying the person for whom he or she will vote if asked by another.

(J) *Social Media.* Websites and internet-based applications that enable users to create and share content and/or to participate in social networking, including, but not limited to Facebook, LinkedIn, and Google+.

2.01.03 Election. The President-elect shall be elected by vote of a majority of those members of the State Bar who voted in such election. Such election shall be held in April or May of each year. The person so elected shall assume the office of President-elect at the next annual meeting following the succession of the then President-elect to the office of President.

2.01.04 Qualifications*.* Any member of the State Bar who meets the eligibility requirements for Officers set forth in the State Bar Act and the State Bar Rules is eligible for nomination for President-elect, provided such member is not currently serving as a Board Member.

2.01.05 Nominations*.* At its regularly scheduled second quarterly meeting each year, the Board, on recommendation by the Subcommittee, shall nominate by a majority vote two or more members of the State Bar to be Candidates and to stand for election to the office of President-elect for the next Organizational Year. Any other qualified member shall also be privileged to stand for election to that office as a Candidate when a written petition, in a form prescribed by the Board and signed by no less than five percent of the active members of the State Bar who are in good standing, is filed by or on behalf of such member with the Executive Director on or before March 1 preceding the election for the ensuing Organizational Year and such petition is certified by the Executive Director. The Executive Director shall either certify or reject such petition within five (5) business days following receipt of the petition by the Executive Director. Any disputes arising from the Executive Director's decision shall be resolved by the Nominations and Elections Subcommittee in accordance with Subsection 2.01.17 and the State Bar Rules.

2.01.06 Candidate Pools*.* The Potential Nominees for President-elect shall be selected from three different Candidate pools that rotate on a three-year cycle. In the first year of that cycle, the Potential Nominees shall be selected from State Bar members whose principal office is in Bexar, Dallas, Harris, Tarrant, and Travis counties. In the second year of the cycle, the Potential Nominees shall be selected from State Bar members whose principal office is outside the five metropolitan counties cited above. In the third or "open" year of the cycle, the Potential Nominees shall be selected from the Candidate pool of all State Bar members, without regard for the county of their principal office. In any year of any three-year cycle the Board may nominate two or more Nominees from the same county.

2.01.07 Selection of Candidates*.* The Board shall select

President-elect Candidates as follows:

(A) In August preceding the Second quarterly meeting at which the Board selects Candidates, the Subcommittee chair(s) shall notify Texas bar associations representing the State Bar's diverse membership and State Bar sections, divisions, and committees that the Nominee selection process has begun. The chair(s) of the Subcommittee shall request from those groups the names and background information of Potential Nominees, explaining the criteria for selection described in Subsection (C).

(B) The Subcommittee shall state its intent to solicit Potential Nominees by distributing notice on the State Bar website and by publishing notice in the September issues of the *Texas Bar Journal*, the *Texas Lawyers' Civil Digest*, and the *Texas Lawyers' Criminal Digest*. The publication shall contain the criteria for Nominee selection described in Subsections 2.01.04, 2.01.06 and 2.01.07(C). Anyone submitting a name for consideration should first obtain that person's written consent to have his or her name submitted.

(C) Subject to Subsections 2.01.04 and 2.01.06, any member in good standing with the State Bar is eligible for nomination, provided such member is not currently serving as a Board Member. The Subcommittee shall select qualified Nominees, and choose its Nominees with the objective of ensuring that, over a period of years, the office of the President includes men and women, ethnic and racial diversity, lawyers from large, medium and small firms and solo practitioners, and members from urban and rural areas of the State. In doing so, the Subcommittee shall consider a potential Candidate's involvement in State Bar committee work, knowledge of State Bar operations, participation in local and specialty bar associations, and other activities demonstrating leadership ability, and sincere interest and competence in dealing with issues concerning the State Bar of Texas. Although prior membership on the Board is not a prerequisite to nomination, it should be considered in determining whether a lawyer is a qualified Potential Nominee.

(D) The Subcommittee may also solicit Potential Nominees whose names have not been submitted through the process described in Subsections 2.01.07(A) and (B) Persons solicited as Potential Nominees must meet the criteria described in Subsection 2.01.07(C).

(E) As part of the selection process, each Potential Nominee should be asked to submit a resume and a brief statement indicating the reasons for his or her interest in serving as President. The Subcommittee may interview Potential Nominees. The travel expenses incurred by a Potential Nominee in attending such interview will be reimbursed by the State Bar.

(F) The Subcommittee shall submit to the Board the names of two or more qualified nominees for President-Elect.

2.01.08 Notification of Nomination.

(A) Insofar as it is possible, the Nominees recommended by the Subcommittee should be notified at the same time

(B) The Candidates nominated by the Board, should be notified at the same time.

2.01.09 Announcement of Nominations*.* As soon as reasonably practicable after the Candidates for President-elect are selected by the Board, the names of the Candidates, the counties of their principal offices, and their biographical information, together with the procedure for additional nominations by petition under the State Bar Rules, shall be published on the State Bar website and in the *Texas Bar Journal*.

2.01.10 Campaign Activities.

(A) Potential Nominees may discuss the prospective candidacy with any partners or management in their law firm, as needed, to be sure that the Potential Nominees will agree to be a Candidate, if approved by the Board.

(B) Potential Nominees or Nominees recommended by the Subcommittee may not Campaign before their official nominations by the Board.

(C) Potential Nominees or Nominees may confirm to others that they are Potential Nominees or Nominees prior to actual nomination by the Board.

(D) The Nominees may not Campaign until they have met with the Subcommittee as required in Subsection 2.01.11 or immediately following the adjournment of the Board meeting at which they are nominated, whichever is the latest, and must cease Campaigning on the date the ballots are distributed (the "Campaign Period"). Once the Campaign Period ends, candidates may not continue to contact State Bar members, or solicit or encourage others to do so.

(E) Candidates may not Campaign outside their offices before March 1 or after the ballots are distributed, except for meetings held outside of their offices but within the counties of their principal offices for the purposes of planning future campaign activities.

(F) Candidates may confirm to others that they are Candidates at any time prior to the out-of-office Campaign period when the Candidate is out of the office conducting normal and customary business.

(G) Candidates may not solicit, approve, or condone

communications by local bars, specialty bars, law school alumni associations, bar association sections or committees, or other bar-related groups seeking support and/or endorsement.

(H) No Candidate, or anyone acting on the Candidate's behalf, may solicit votes by mailings, faxes, or emails to selected groups within the Bar, or by mailings, faxes, or emails to local or specialty bars, unless every member of such selected group within the Bar and/or such local or specialty bars is a Professional Acquaintance of the person making the contact.

(I) Candidates may not solicit, approve, or condone communications in any publications other than the State Bar website and the *Texas Bar Journal*. When Candidates are aware that non-State Bar publications have covered or plan to cover the election, in the interest of fairness the Candidates should ask the publication to provide equal time to both candidates.

(J) Paid solicitations through the use of telephone, email or other methods of communication are prohibited.

(K) Candidates may not solicit or publicize endorsements from local or specialty bar groups, Board members, employees of the State Bar, or any public official.

(L) Members of the Board, in their official capacity, and State Bar staff may not endorse nor express support for a Candidate for President-elect.

(M) Nothing herein shall prohibit a Potential Nominee, Nominee, or Candidate from establishing a steering committee or group consisting of Professional Acquaintances of the Potential Nominee, Nominee, or Candidate for the purpose of assisting the Potential Nominee, Nominee, or Candidate in the Campaign prior to the commencement of, or during, the Campaign period. Prior to the time an individual has been designated by the Board as a Candidate, steering committees shall be limited to no more than 50 Professional Acquaintances of the Potential Nominee or Nominee.

(N) One-to-one, individualized telephone calls, letters, facsimiles, or emails expressing support for a Candidate to Professional Acquaintances of the individual caller or sender are permitted during the Campaign Period. Telephone calls made by a Candidate to any individual attorneys are permitted during the Campaign Period. Email lists and group emails are not allowed unless every person on the email list or email group is a Professional Acquaintance of the sender.

(O) Any Board Member may answer questions posed to the Board Member about a Candidate's qualifications.

(P) Attendance by Nominees at the TYLA Board of Directors meeting, local and/or specialty bar association meetings, or other events is allowed, if all Nominees are invited and if approved by the Subcommittee chair(s).

(Q) In exceptional circumstances, such as invitations to speak made by the TYLA Board of Directors, local and/or specialty bar associations, or other events, the Candidates may jointly apply to the Subcommittee chair(s) for a dispensation to undertake campaigning for that specific purpose outside the office before March 1.

(R) During the Campaign Period, the Candidates may establish Social Media pages or accounts for campaigning purposes. Prior to using such Social Media to campaign, each Candidate must send to the chair(s) of the Subcommittee written notice of the intent to use Social Media, including the URL of each Social Media page or account the Candidate has established for Campaign use.

(S) After the end of the Campaign Period, if a person contacts a Candidate seeking information concerning the Candidate, his or her position, or Campaign, the Candidate may only refer the person to the *Texas Bar Journal* article, the State Bar website, the Candidate's brochure, or the Candidate's campaign website or campaign Social Media.

2.01.11 Meeting with the Subcommittee Chair(s). The Candidates shall meet jointly with the Subcommittee chair(s) to discuss election rules and procedures before the beginning of the Campaign Period. Travel and lodging expenses for the Candidate and his or her spouse to attend this meeting will be reimbursed by the State Bar independently of campaign expenditures described in Subsection 2.01.14.

2.01.12 Distribution of Ballots. A combined ballot for the office of President-elect and for the office of Director may be used in bar districts in which an election for Director is to be conducted. On April 1, or on the first working day following April 1 if April 1 falls on a weekend, an official ballot listing the names of all Candidates for President-Elect and candidates for Director shall be distributed to each member of the State Bar who is entitled to vote.

2.01.13 Campaign Brochures. Each Candidate is responsible for the design and content of a single Campaign brochure, which shall be used as the Candidate's sole handout or electronic attachment for the Campaign. (A one-page resume may be used for appearances permitted under these guidelines if the campaign brochure is not available.) The State Bar will print the brochures in a four-color process, using the same size and quality of paper for each Candidate's brochure.

(A) In designing the brochures Candidates should:

(1) seek to be as informative as possible;

(2) limit photographs to pictures of the Candidate and his or her family; and

(3) neither refer to nor cite endorsements of the Candidate by groups or individuals.

(B) The Subcommittee chair(s) will approve all brochures before printing to ensure compliance with the guidelines.

(C) Brochures used in the election for President-elect shall be distributed on the State Bar website and with electronic ballots. Paper copies will be mailed at State Bar expense, along with any official paper ballots.

(D) The State Bar of Texas shall pay, in addition to the printing expense of the brochures included with the paper ballots, the cost of printing such reasonable amount of such extra brochures as the Subcommittee may determine is appropriate.

(E) Candidates may purchase additional copies of the brochures for their own use at cost.

2.01.14 Campaign Expenditures. Each Candidate for the office of President-Elect shall not expend more than $20,000 in Campaign expenses, including expenses for transportation and lodging during the Campaign. The Candidates may agree on a different amount not to exceed $25,000. The State Bar shall reimburse each Candidate up to $15,000 for actual out-of-pocket Campaign expenditures, which may include transportation and lodging costs for the Candidate and his or her spouse. This reimbursement is in addition to, and not in lieu of, Campaign expenses paid directly by the State Bar, provided, however, that if in any year there are more than two Candidates, the aggregate amount of reimbursements by the State Bar shall not exceed a total of $30,000 for all Candidates, and no one Candidate will be entitled to a reimbursement exceeding a per capita share. Candidates shall submit verified reports of all Campaign expenditures, including expenses for transportation and lodging, within 45 days after the Campaign ends.

2.01.15 Online Campaign Activities. Candidates may Campaign online during the Campaign Period by use of a personal campaign website and/or campaign Social Media.

(A) The Candidate's campaign website and/or campaign Social Media may include information and pictures published in the Candidate's pre-approved Campaign brochures as described above; information regarding scheduled appearance dates at State Bar of Texas, local bar association or private meetings and reports on or comments regarding such appearances; any Campaign information that is distributed on the State Bar website or printed in the *Texas Bar Journal* regarding the Candidate; or any other information pertaining to the Candidate's background. During the Campaign Period, a Candidate may respond to questions or comments posted on the Candidate's campaign Social Media pages or accounts, subject to subsection (D) below.

(B) All information to be published on a campaign website or campaign Social Media pages or accounts must be submitted to the chair(s) of the Subcommittee for approval before publication.

(C) A Candidate who has maintained a firm or individual website or online presence for professional purposes prior to becoming a Potential Nominee may continue to maintain that website or online presence for conducting normal and customary business, but not for the purpose of campaigning during the Campaign Period.

(D) A candidate who chooses to maintain a campaign Social Media presence is responsible for monitoring all posts and comments on his or her campaign Social Media, both during and after the Campaign Period, with the objective of assuring civility and professionalism in the campaign, and should promptly remove content or comments that are offensive, contain vulgar language, or include personal attacks of any kind, or which are repetitive or intrusive and might be considered spam.

(E) After the end of the Campaign Period, a Candidate's campaign website and/or campaign Social Media page may remain online; provided, however, that a Candidate or anyone at the Candidate's direction may not post any additional information on the campaign website or campaign Social Media after the end of the Campaign Period.

2.01.16 Campaign Conduct. The Candidates and their supporters shall make a reasonable effort to conduct the Campaign in a professional and dignified manner. In communicating with State Bar members, whether by letter, card, fax, email, Social Media, or telephone, Candidates and their supporters shall concentrate on the merits of their candidacy.

***2.01.17 Campaign Oversight*.** Candidates shall consult with the chair(s) of the Subcommittee concerning the interpretation of these rules, and the chair(s) shall render a decision concerning such matters. If a Candidate wishes to appeal a decision of the Subcommittee chair(s), such appeal must be made to the Nominations and Elections Subcommittee in writing within two business days of the Subcommittee chair(s)' decision. Except as otherwise provided in this Policy Manual, the Nominations and Elections Subcommittee shall supervise the guidelines, eligibility, nominations, campaign, election, and election results to ensure compliance with the rules and shall resolve all such disputes and decide all penalties. Decisions and interpretations made by the Subcommittee hereunder shall be final.

(A) In the event of any violation of the rules by or on behalf of a Potential Nominee, Nominee, and/or Candidate, the Subcommittee shall determine if the violation is minor or major.

(B) In the event of a minor violation, the Subcommittee may allow the other Candidates to engage in like activity.

(C) In the event of a major violation, the Subcommittee may publicly censure the Candidate committing the violation through a communication on the State Bar website. Such public censure may also be written by the Subcommittee and distributed with any ballot to the members of the State Bar in whatever manner the Subcommittee deems appropriate.

2.01.18 Run-Off Election for President-Elect.

(A) If no candidate for President-elect receives a majority vote, a run-off election shall be held at such time as the Board prescribes between the two candidates receiving the greatest number of votes. The Board shall also prescribe the date the run-off ballots are to be distributed to the members eligible to vote and the date and time that voting in the run-off election shall cease.

(B) As soon as practicable after it is determined that a run-off election is necessary and the run-off candidates have been determined, the State Bar shall publish on its website a notice to its members that a run-off election for President-elect will be held. Such notice shall include the identity of the run-off candidates, the date the run-off ballots will be distributed to the members, and the date and time that voting in the run-off election will cease.

(C) Run-off candidates may Campaign beginning on the day the run-off notice is published on the State Bar's website. Run-off candidates must cease all Campaign activities no later than 11:59 p.m., CDT, on the day immediately preceding the day the run-off ballots are to be distributed as prescribed by the Board. The period from the first to the last day of the campaign shall be referred to as the Run-Off Campaign Period.

(D) The following provisions of this Policy Manual governing Campaign Activities, On-line Campaign Activities, Campaign Conduct, and Campaign Oversight shall apply to the Campaign activities of President-elect run-off candidates: subsections 2.01.10(G-L), (N), (O), and (S); section 2.01.15; section 2.01.16; and section 2.01.17. Run-off candidates will receive neither additional candidate brochures nor any additional campaign funds.

(E) The State Bar may use, but is not required to use, a combined ballot for the run-off election for the office of President-elect and for the office of Director in those districts in which a run-off election is also required for the office of Director.

(F) The run-off candidate receiving a majority of the votes cast in the run-off election shall be declared elected to the office of President-elect .

2.02 Presidential Succession

At the annual meeting of the State Bar, the then President-elect shall succeed to the office of President and shall be sworn in to such office before the general assembly of the State Bar annual meeting. The outgoing President shall then assume the office of Immediate Past President and the person elected during the most recent President-elect election shall assume the office of President-elect.

2.03 Authority

2.03.01 General. The President-elect, the President, and the Immediate Past President shall enjoy all of the authority, duties, rights and responsibilities afforded each of them by the State Bar Act, the State Bar Rules, this Policy Manual, and the Board.

***2.03.02 Official Spokesperson*.** The President, along with the Executive Director, shall be the official spokesperson of the State Bar. Public statements pertaining to grievance and the disciplinary procedure shall be coordinated through the chair of the Commission for Lawyer Discipline.

PART III. FISCAL POLICIES, FACILITIES AND PROPERTY

3.01 Dues and Assessments

3.01.01 Dues. In order to maintain a license for authority to practice law in Texas, each attorney must pay all State Bar dues required of him or her by the State Bar Act in the time and manner directed by the State Bar. Dues charged to each member of the State Bar need not be equal. Categories pertaining to years of practice, residency and age may be established with respect to varying amounts of dues to be paid. Changes or modifications of the annual dues shall be made only after a resolution proposing such changes is adopted by the Board, the resolution is approved by the Supreme Court, and a majority of the members of the State Bar voting approve the changes in a referendum called for that purpose. Current bar dues are:

(A) $68 per annum for each active member licensed less than three years.

(B) $148 per annum for each active member licensed at least three years but less than five years.

(C) $235 per annum for each active member licensed at least five years.

(D) $50 for each inactive member.

(E) Each member seventy years of age or older is exempt from the payment of annual membership dues.

3.01.02 Assessments. From time to time the members of the State Bar may be charged a special assessment in addition to dues. The charging of any such special assessment shall require the same approvals that are required for changes in dues.

3.02 Annual Budget

***3.02.01 Preparation*.** The Executive Director, in consultation with the President-elect and other members of the Budget Committee of the Board, shall prepare a proposed budget for the next Fiscal Year of anticipated operating revenues and operating capital expenditures for the State Bar for submission to and approval by the Board at the regularly scheduled second quarterly meeting of the Board. The Executive Director shall submit the proposed budget to each Board Member not less than seven days prior to the second quarterly Board meeting.

3.02.02 Publication. Upon approval by the Board at its second quarterly meeting, the budget shall be published in the next issue of the *Texas Bar Journal* and notice shall be given of a public hearing on the budget to be held prior to the next meeting of the Board.

***3.02.03 Approval*.** The budget, as revised, shall be submitted to the Board at its regularly scheduled third meeting. Upon approval by the Board, the budget shall immediately be submitted to the Supreme Court for approval. The annual budget for the TYLA shall be submitted to the Board and approved by a majority vote of the Board.

3.02.04 Budget Committee.

(A) The Budget Committee of the Board shall be comprised of:

(1) the President;

(2) the President-elect;

(3) the Chair;

(4) the chair of the Audit and Finance Committee of the Board;

(5) two or more members appointed by the President in consultation with the President-elect and the Chair

(B) To the extent possible, the President shall consider continuity and experience with the State Bar budget process in making appointments pursuant to Subsection 3.02.04 (A)(5) above.

(C) The President-elect shall be the chair of the Budget Committee.

(D) The Budget Committee shall have the duty to advise and assist the Executive Director in the preparation of the annual budget for the State Bar. As part of its review of the proposed budget, the Budget Committee shall review the programs, departments and projects to confirm that they further the State Bar's purposes and goals as stated in the State Bar Act, the State Bar Rules and the State Bar Strategic Plan.

3.02.05 Budget Amendments. No budget amendment in a current Fiscal Year's budget shall be made without the approval of the Board and the Supreme Court.

3.02.06 Minimum Reserves. The general fund will establish and maintain cash reserves to assure fulfillment of obligations to the membership and to provide funds for contingencies. The reserves will be used to continue operations and continue service to the membership in the event normal operations are interrupted. The reserves will also be used to offset any negative operational effects until expenditures can be adjusted. Additionally, the reserves may be utilized to fund specific future capital enhancements and improvements for the operation of the State Bar.

(A) *Designated General Operating Reserves*. Minimum reserves will be recommended by the Budget Committee during the annual budget process after collaboration with the Audit and Finance Committee. The recommendation will be presented to the Board for approval. In setting the minimum reserves, the Board will take into account all known financial issues and matters facing the State Bar and will be guided by good business practices. The issues to be considered will include, but are not limited to, the following:

(1) level of stable revenue and expenditures;

(2) major fixed and ongoing expenditures (payroll, mortgage, continuing education programs, lagging of reimbursements for cash outlays, etc.);

(3) appropriate and adequate risk management programs to protect the State Bar (e.g., adequate insurance);

(4) contingent liabilities known, disclosed and anticipated but not yet accrued;

(5) strategic direction and plan for the State Bar is in

place and being utilized to drive the State Bar;

(6) stability of capital expenditures and programs;

(7) last year's budget versus last year's actual contained no material unexplained variances;

(8) prior reserves have been adequate to absorb unexpected and unplanned expenditures variances; and

(9) growth plan, if relevant, is in place for the State Bar and is incorporated into current budget and strategy.

(B) *Reserves Designations.* Some specific areas for which reserves should be maintained, which must be considered each year during the budgeting and financial planning process, when establishing reserves for the State Bar are:

(1) *Operating Expenditures.* The need for this designation is to provide a level of security to insure that the resources will be available to meet immediate operating needs. The Board shall consider all factors enumerated herein and other pertinent and relevant factors, and consider designating two to four months of budgeted expenditures for this particular designation.

(2) *Litigation Expenditures.* The purpose of this designation is to set-aside enough funds to cover any contingent liabilities for litigation expenditures that are known, but have not yet been accrued, and are expected to require funding within twelve to twenty-four months from the date of budgeting and planning. The amount the Board will consider will depend on the assessments that are made by State Bar legal counsel regarding the likelihood and the amount of any potential liability for that twelve to twenty-four month period.

(3) *Capital Assets Replacement / Construction.* A designation for large capital asset replacement or construction projects planned for the next one to three years will be reviewed and will be considered by the Board during the budget and financial planning process each year. Capital reserve items are capital assets that cost more than $5,000, whose implementation or purchase extends for more than one fiscal year and the purchase of which is planned for a future year. When designating funds for this purpose, a review of existing funds in the Texas Law Center Fund, the Technology Fund or any other special revenue fund shall be considered, along with the amount that will be required to complete the capital asset project(s).

(4) *New Programs and/or Research and Development.* A designation for anticipated new programs or for research and development for programs that are being considered will be reviewed, analyzed and measured during the annual budget and planning process.

3.03 Audits

3.03.01 Auditor. The State Bar's books and records shall be audited annually by outside auditors chosen by the Board. The selection of the auditor shall be the subject of a request for proposal procedure every five years. At any time, the Board may request that a request for proposal be issued for auditing services.

3.03.02 Costs and Expenses of Audit. The cost and expenses of the annual audit of the books and records of the State Bar shall be appropriated by the Board as a specific item in the annual budget.

3.04 Depositories, Withdrawals and Transfers

3.04.01 Depositories of State Bar Funds. The State Bar shall maintain its funds in a depository or depositories located in Austin, Texas. Every 3 years, the State Bar's bank depository will be reviewed by the Audit and Finance Committee for reasonableness of fees and level of service. Following the 3-year review, the Audit and Finance Committee will make a recommendation to the Board that the then current bank depository be allowed to continue for another 3 years, or that another bank depository be selected through an RFP process. In developing the criteria for selection of any bank depository, the Audit and Finance Committee shall give strong consideration to a potential bank depository's participation in the Texas IOLTA Prime Partners Program sponsored by the Texas Access to Justice Foundation. At any time, the Board may request a review by the Audit and Finance Committee of the then current bank depository.

3.04.02 Management of State Bar Funds. The State Bar, with the approval of the Board, may enter into agreements and contracts deemed appropriate to facilitate the management of its funds so that income will be earned or appreciation realized on those funds pending expenditure.

3.04.03 Withdrawal and Disbursement of State Bar Funds. The Board shall designate the employees of the State Bar who are authorized to sign checks for the withdrawal and disbursement of funds. These signatories shall include the Executive Director and Chief Financial Officer. The Executive Director's signature can be a facsimile on all checks. The Chief Financial Officer, or his or her designated representative, however, shall review each check before its distribution even though it bears the Executive Director's signature.

3.04.04 Securities. The Executive Director or the Chief Financial Officer of the State Bar are authorized to transfer, endorse, sell, assign, set over, and deliver any and all shares of stock, bonds, debentures, notes of indebtedness, or other securities now or hereafter standing in the name of or owned by the State Bar.

3.05 Investments

3.05.01 Investment Standard*.* The State Bar shall invest its funds in a manner in which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but to, in order of priority, preserve and safeguard the principal amount invested, provide liquidity to meet operating cash flow needs, and earn the highest yield possible considering the required safeguards.

3.05.02 Investment Manager. The Board, through its Audit and Finance Committee, may contract with an investment manager for professional investment services. Pursuant to the Public Funds Investment Act, §2256.003, a contract for professional investment services may not be for a term in excess of 2 years. A renewal or extension of the contract for professional investment services must be made by order, ordinance or resolution of the Board. The selection of the investment manager shall be the subject of a request for proposal procedure every five years. At any time the Board may request that a request for proposal be issued for investment management services.

3.05.03 Application**.** This investment policy applies to the financial assets of all State Bar funds and funds of Bar-related groups, to include those of the General Fund, Client Security Fund, all special revenue funds, enterprise funds, sections and divisions.

3.05.04 Committee Review**.** The Board's Audit and Finance Committee shall review the investment policy annually. Recommendations for modifications to the policy may be made by the Executive Director, the Board's Audit and Finance Committee, an Officer, or Board Member. This policy and any amendments to it must be authorized by Board action.

3.05.05 Approved Investments. The Board authorizes the Executive Director and/or investment manager (as contracted by the Audit and Finance Committee of the Board) to invest funds of the State Bar that are available for investment in any account, time or demand, and the following "fixed income" securities:

(A) *U. S. Treasury Securities.* U.S. Treasury securities are direct obligations of the United States Government. U.S. Government obligations are the highest quality and are the most liquid and marketable of investment securities. Investments in this category will include Treasury bills, Treasury notes, and Treasury bonds. U.S. Treasury bills are sold on a discount basis and have initial maturities of three months, six months, and one year. U.S. Treasury notes and Treasury bonds are coupon-bearing instruments with initial maturities from two to ten years for notes and ten to thirty years for bonds.

The maximum average maturity of the U. S. Treasury securities portfolio will not exceed five years.

(B) *Federal Agencies.* After U. S. Treasury securities, Federal agency securities (government sponsored enterprises) are generally regarded as the next highest quality investment suitable for the portfolio. Agencies generally offer a rate of return higher than direct U.S. Treasury securities. The spread difference in yield will be affected by the general level of interest rates, markets, and economic conditions at any given time. Consideration should be given to the spread relationship existing when portfolio investment decisions are made.

Securities included in this category are debt issuance by the Federal Farm Credit System (Farm Credits), Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), the Student Loan Marketing Association (SLMA), the Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac"), the Government National Mortgage Association (GNMA or "Ginnie Mae"), and Small Business Administration (SBA).

The maximum average maturity of the U.S. agency section of the portfolio will not exceed five years.

(C) *Collateralized Deposits*: The State Bar will monitor all deposits that are held with the State Bar's custodian bank(s) to ensure that all deposits are fully insured or collateralized, as required by the Public Funds Collateral Act, §2257, of the Texas Government Code ("PFCA"). Pursuant to §2257, the State Bar will require the custodian bank(s) to pledge securities that are authorized under §2256.009 of the Public Funds Investment Act ("PFIA"). In accord with the PFCA, deposits that exceed the FDIC insurance limit will be collateralized by the deposit institution holding such deposits. Since, generally, all deposits are fully invested in securities, the collateralization of such invested deposits will not be necessary when such deposits are fully and continuously invested in securities. If there are any funds awaiting investment, such funds should be fully collateralized at all times pursuant to the PFCA. The custodian bank(s) will be notified regarding the collateralization and investment policy requirements. The State Bar's expectation of total and full compliance with the PFIA and the PFCA is of paramount importance and such expectation will be clearly communicated to custodian bank(s). Financial institutions serving as depositories will be required to sign an Agreement with the State Bar and its safekeeping agent for the collateral, perfecting the State Bar's rights to the collateral in case of default, bankruptcy or closure.

(D) *Money Market Investments*. Money market investments are short-term investments that normally have a maturity of one year or less and are used for liquidity and income maximization purposes. Acceptable investments that may appear in this category are:

(1) *Domestic CDs (time deposits).* Certificates of deposit issued by depository institutions, wherever located that are:

(a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor, or the National Credit Union Share Insurance Fund, or its successor; or

(b) secured by obligations that are described in Subsections 3.05.05(A) and (B) above, with a market value of not less than the principal amount of the certificates plus accrued interest. Pledged collateral securities must be held in a third-party custody account authorized by the State Bar.

(2) *Banker's Acceptances.* Bankers acceptances must have a stated maturity of 270 days or less from the date of its issuance that will be liquidated in full at its maturity, is eligible for collateral for borrowing from a Federal Reserve Bank and is accepted by a bank organized and existing under the laws of the United States and if the short-term obligations of the bank, or of the bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.

(3) *Repurchase Agreements (Repos)* Repurchase Agreements must be fully collateralized and have a defined termination date. They must be placed with a primary government securities dealer, as defined by the Federal Reserve, or a bank doing business in Texas. Repurchase agreements must be collateralized by U.S. Treasury or Agency securities and collateral must be held in a third-party custody account authorized by the State Bar.

(4) *Money Market Daily Fund.* SEC-regulated, no-load money market mutual funds with a dollar-weighted average stated portfolio maturity of 90 days or less and whose investment objectives include seeking to maintain a stable net asset value of $1 per share.

(5) *Commercial Paper* Commercial Paper must have a stated maturity of 270 days or less from the date of issuance and must have a credit rating of not less than A-1, P-1 or the equivalent by at least two nationally recognized credit rating agencies.

(E) *Investment Concentrations.* The State Bar intends to follow the guidelines described below on investment concentrations within the investment portfolio (IP):

(1) U.S. Treasury and Federal Agency Securities. Up to 100% of the IP.

(2) *Mortgage-Backed Securities.* Guaranteed by U.S. Government Sponsored Agencies up to 30% of the IP.

(3) *Certificates of Deposit*. Up to 30% of the IP, but no more than 5% with any single bank.

(4) *Banker's Acceptance.* Up to 15% of the IP, but no more than 5% with any single issuer.

(5) *Repurchase Agreements.* Up to 30% of the IP, but no more than 10% with any single issuer.

(6) *Money Market Mutual Funds.* Up to 100% of the IP.

(7) *Commercial Paper.* Up to 30% of the IP, but no more than 5% with any single issuer.

Investments in collateralized mortgage obligations are strictly prohibited. These securities are also disallowed for collateral positions. The State Bar will not be required to liquidate investments that were authorized investments at the time of purchase.

The investment manager will monitor the various investment alternatives and select the securities that best meet the State Bar's overall, long-term goals. Concentrations of each type of security will not exceed the maximum limits outlined above, but specific concentrations of investment types will be dictated by the following considerations: quality, liquidity, relative sector yield spreads vs. historical spreads, maturity concentrations, time horizon.

Investments will only be made with those firms and institutions which have been approved by the Board of Directors. The investment manager will be responsible for analyzing and evaluating the broker/dealer firms and for reporting their list of qualified firms to the Committee for approval.

It is the policy of the State Bar to require competitive bidding for all individual security purchases except for those transactions with money market mutual funds which are deemed to be made at prevailing market rates and for government securities purchased at issued through a primary dealer at auction price. At least three bidders must be contacted in all transactions involving individual securities. Competitive bidding for security swaps is also required. Bids may be solicited in any manner provided by law and shall be documented.

(F) *Collateralization.* In addition to the collateral requirements for State Bar deposits, as discussed in Subsection 3.05.05(C), Certificates of Deposit (CD) and Repurchase Agreements (Repo) must also be collateralized in accordance with State Law. Eligible securities for collateralization of CDs and Repo shall be U.S. Treasury and Agency securities. For CDs, the market value of the pledged collateral securities must at all times be equal to or greater than the par value of the CD plus accrued interest, less the amount insured by the FDIC.

For Repos, the market value of the pledged collateral securities shall be a percentage of the par value of the agreement plus accrued interest and shall be maintained at the following levels:

Collateral Maturity	U.S. Treasury Securities	U.S Government Securities
1 year or less	101%	101%
1 to 5 years	102%	102%
Over 5 years	103%	104%

(G) *Reporting.* The Investment Manager for the State Bar of Texas will provide a detailed accounting and appraisal report detailing, among other things, investments' descriptions, coupons, maturities, CUSIP identification numbers, purchase cost, amortized cost and market values on a monthly basis. Market valuations are based on current information and appraisals taken from third party market makers, whom the Manager believes provides reliable information and valuations.

The investment manager will prepare a report for the State Bar quarterly. The report will include a listing of securities, a current appraisal reflecting gains or losses, a list of securities purchased or sold during the period, and an analysis of the IP's performance for the period and since inception.

Representatives of the investment manager will meet with the State Bar semi-annually or as needed to discuss investment strategy, actions taken, and the general economic environment within which the State Bar's investments will be managed.

Not less than quarterly the Investment Officers will submit to the Audit and Finance Committee and the Board a written report of the status of the current investment portfolio. The report must meet the requirements of Chapter 2256 of the Government Code (Public Funds Investment Act) and:

(1) describe in detail the investment position of the State Bar on the date of the report;
(2) be prepared jointly by all investment officers of the State Bar;

(3) contain a summary statement, prepared in compliance with generally accepted accounting principles of each pooled fund group that states the beginning market value for the reporting period, additions and changes to the market value during the period, ending market value for the period and fully accrued interest for the reporting period.

(4) state the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested;

(5) state the maturity date of each separately invested asset that has a maturity date;

(6) state the account or fund or pooled fund group from which each individual investment was acquired; and

(7) state the compliance of the investment portfolio as it relates to the investment strategy and relevant provisions of this Policy and the Public Funds Investment Act.

An independent auditor shall formally review the quarterly reports prepared under this Subsection at least annually, and that auditor shall report the results of the review to the Board.

(H) *Exceptions to Policy*. Exceptions to the investment policy must have prior approval by a majority of the Board at a called, regularly scheduled, or telephone call meeting. Changes to the investment policy will be made, as needed, after action by the Board.

(I) *Methods to Monitor Market Price.* The investment manager shall provide market valuations of all State Bar investments using Bloomberg, or another third-party market valuation service.

The Executive Director or investment manager shall report to the Audit and Finance Committee at least quarterly on the market prices and the performance of the investments made by, or on behalf of, the State Bar.

(J) *Monitoring Rating Changes.* Pursuant to the PFIA, Section 2256.021, an investment that requires a minimum rating under State law does not qualify as an authorized investment during the period the investment does not have the minimum rating. The State Bar's Investment Manager will be responsible for monitoring ratings of all State Bar investments placed with the Investment Manager. The Investment Manager will maintain a process whereby the State Bar's Investment Officer will be promptly notified in the event of a downgrade of an investment below State law or State Bar's Investment Policy limits. The Investment Manager will provide a recommendation on how best to resolve the issue with the intent to take all prudent measures that are consistent with State Bar's Investment Policy to liquidate an investment that does not have the minimum rating.

3.05.06 Delegation of Authority

(A) *Investment Officer.* The State Bar shall designate the Finance Division Director as investment officer responsible for the investment of its funds, under the direction and authority of the Executive Director. This includes investments for the State Bar General Fund,

Client Security Fund and the special revenue funds.

(B) *Procedures.* The State Bar's investment officer shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the written procedures. Authority granted to a person to invest the State Bar's funds is effective until rescinded or until termination of the person's employment by the State Bar. The investment officers shall be responsible for all transactions undertaken and shall establish a system of controls, to be reviewed by the State Bar's independent auditor, to regulate the activities of subordinate officials. The investment officers shall possess sufficient working knowledge of economics and securities markets, as well as the supervisory experience and judgment necessary to carry out the responsibilities outlined in this Policy.

(C) *Ethics and Conflicts of Interest*.

(1) Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

(2) Officers and employees involved in the investment process shall sign annual statements agreeing to abide by this section of the Investment Policy and affirming no known conflicts of interest.

(3) Officers and employees involved in the investment process must file a disclosure with the State Bar of Texas if:

(a) the Officer or employee has a personal business relationship with a business organization offering to engage in an investment transaction with the State Bar of Texas; or

(b) the Officer or employee is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to transact investment business with the State Bar of Texas

(4) An officer or employee involved in the investment process has a personal business relationship with a business organization if:

(a) the Officer or employee owns 10 percent or more of the voting stock of shares of the business organization or owns $5,000 or more of the fair market value of the business organization;

(b) funds received by the officer or employee from the business organization exceed 10 percent of his/her gross income for the previous year; or

(c) the Officer or employee has acquired from the business organization during the previous year investments with a book value of $2,500 or more for his/her personal account.

(D) *Training.* The Investment Officers and the persons authorized to execute investment transactions shall attend at least one investment training session within 12 months after taking office or assuming duties and receive not less than 10 hours of instruction relating to investment responsibilities every two years. The training provider must be an independent source approved the Board of Directors.

3.05.07 Investment Objectives. All funds shall be managed and invested with three primary objectives, listed in order of their priority – safety and liquidity, diversification and yield:

(A) *Safety of Principal.* Safety of principal is the foremost objective of the State Bar. Investments of the State Bar shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. To obtain this goal, diversification is required in the portfolio's composition. The suitability of each investment decision will be made on the basis of these objectives.

(B) *Diversification.* Diversification of the portfolio will include diversification by maturity and market sector when appropriate and will include the use of a number of broker/dealers for diversification and market coverage. Competitive bidding will be used on each sale and purchase.

(C) *Yield*. The State Bar's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the State Bar's risk constraints and the cash flow requirements of the portfolio. "Market rate of return" may be defined as the average yield of the current three-month U.S. Treasury Bill or such other index that most closely matches the average maturity of the portfolio.

The individual strategy of each of the State Bar's three types of funds are as follows. To the extent possible, the State Bar will match its investments with anticipated cash flow requirements while minimizing market risk. The State Bar will not directly invest funds needed for current operations in securities maturing more than twenty-four months or posing potential credit risk, such as corporate bonds. Reserve funds may be invested in securities authorized by this policy with maturities of such investments to coincide as nearly as practical with the

expected use of the funds.

The State Bar's General Fund's and Client Security Fund's assets are not necessary for day-to-day operations. The General Fund and Client Security Fund portfolios may be invested in longer-term securities, but each portfolio will not exceed a five-year average maturity. While investments may be repositioned when prudent, the primary objective of both funds is capital preservation and stable, real (after inflation) increased income. The operation's funds are invested in very short-term investments while the General Fund and Client Security Fund are invested in medium term maturities providing good diversification and income stability over longer time periods for the State Bar's total investments.

The State Bar also directs the investment manager to not record any material book value losses on any security transaction without prior consent of the Executive Director and the Audit and Finance Committee.

3.05.08 Accounting Department. Interest income received by the State Bar from investments will be received by the Accounting Department for deposit to the State Bar's General Fund, Client Security Fund or special revenue funds accounts. The Accounting Department will be responsible for maintaining all investment and interest payment records for the purpose of reconciliation and preparation of financial statements.

3.05.09 Settlement Method. Settlement of all transactions made by or on behalf of the State Bar, except for investment in pool funds and mutual funds, shall be on a delivery versus pay method rather than delivery versus confirmation. The State Bar will contract with a bank or banks for the safekeeping of securities either owned by the State Bar as a part of its investment portfolio or held as collateral to secure certificates of deposits or repurchase agreements. These accounts shall be in the name of the State Bar.

3.05.10 Public Funds Investment Act. All actions taken in all of the State Bar's investment portfolios will be in compliance with the Public Funds Investment Act.

3.05.11 Annual Compliance Audit. In conjunction with the annual financial audit, a compliance audit shall be performed which includes an audit of management controls on investments and adherence to the State Bar's established policy.

3.05.12 Certification. A copy of this Investment Policy shall be provided to the investment manager under contract and the firm shall agree under the terms of the contract to transact all investment business according to the requirements and limitations of the Investment Policy.

3.06 Acquisition of Goods and/or Services

3.06.01 General. The Board shall adopt guidelines and procedures for purchasing that are consistent with the guidelines and procedures promulgated for other Texas state agencies. Purchases are subject to the ultimate review of the Supreme Court. The State Bar shall maintain records on purchases and shall make those reports available for review by the state auditor.

3.06.02 Capital Items.

(A) A capital expenditure budget shall be presented to the Board along with the annual budget.

(B) The approval of the capital expenditure budget will not constitute authority to purchase. All purchases must be approved by the Executive Director or authorized designee.

(C) A capital item is an item of furniture, fixtures or equipment with a cost of $5000 or more.

(D) Purchases of capital items costing $5000 or more not included in the capital expenditure budget, must be approved by the Executive Committee. Items under $5000 may be approved by the Executive Director or authorized designee.

(E) The inventory of all capital items as defined in 3.06.02(C) shall be maintained by the State Bar accounting department. The inventory of furniture, fixtures, and equipment with a cost of less than $5000 shall be maintained by the department responsible for the items.

(F) The purchase of all capital items shall be made under existing Comptroller of Public Accounts Procurement contracts, except when, in the opinion of the Executive Director or authorized designee, it is not advantageous to the Bar to do so because of price, quantity, or quality considerations.

3.06.03 Printing and Mailing. Purchases for printing and mailing shall be made under existing contracts between the Comptroller of Public Accounts Procurement Department and its vendors when the items desired meet the price, quantity, quality, and delivery date requirements. If these requirements cannot be met by purchasing under the Comptroller of Public Accounts Procurement contract, then purchases may be made through other sources, after considering three competitive bids. Any exception to the three bid rule must be approved by the Executive Director or authorized designee.

3.06.04 Building Maintenance. All contracts for ground maintenance, building maintenance, elevator maintenance, janitorial services, water treatment chemicals, and window washing shall be awarded on a bid

basis.

3.06.05 Office Supplies. All items of office supplies that are on state contracts and that fit the needs of the State Bar in quantity and quality shall be purchased under the Comptroller of Public Accounts Procurement contracts. Any exception must be approved by the Executive Director or his or her designee.

3.06.06 Miscellaneous, Special, and Nonrecurring Items. Certain items to be purchased may be available only from one or two suppliers, so that three competitive bids cannot be obtained. Also, certain items such as plaques, flowers, pictures, and so forth, may be available only from a single source. These items shall always be purchased on a "lowest and best" basis.

3.06.07 Petty Cash Disbursals. Purchases from petty cash may be made when necessary or expeditious but shall not exceed $50 per item. Every effort should be made by all departments to discourage use of the petty cash fund, and expenditures from it shall be limited.

3.06.08 Purchase Order System. A purchase order shall be issued for any item costing more than $500. The order shall indicate the category or classification of the expenditure and the department to be charged. All purchase orders must be approved by the Executive Director or authorized designee.

3.06.09 Implementation. The Executive Director shall be charged with the responsibility of supervising and implementing these rules and procedures.

3.07 Reimbursement of Expenses

3.07.01 Board Members. The actual out-of-pocket expenses incurred by members of the Board when performing their duties on behalf of the State Bar will be reimbursed as follows:

(A) *Transportation*. Coach air fare, taxi fare, parking and airport limousine, or the applicable mileage reimbursement for travel in a privately owned vehicle, as provided in the travel provisions of the current General Appropriations Act.

(B) *Meals and Lodging.* Actual reasonable expenses.

(C) *Other Expenses.* Other reasonable and necessary expenses of conducting Board business may be reimbursed, including such items as copying, postage, and long distance telephone bills.

(D) *Reimbursement for Spouses or Companions.* Airfare for spouses or companions of Officers, Chair, immediate past Chair, public members, out-of-state lawyer liaison, and judicial liaisons will be reimbursed.

(E) *Substantiation*. All expense reimbursement requests shall be accompanied by the original bills and vouchers, except that for mileage, tips and miscellaneous expenses for which no bill or receipt is normally obtained, the signed statement of the person submitting the request that he or she incurred the expense will be accepted.

(F) *Submission.* To receive reimbursement for expenses pursuant to this Section 3.07, Board Members must submit a substantiated request on a form provided by the State Bar to the Executive Director no later than 45 days after the expense was incurred.

3.07.02 Reimbursement for Attendance at Board Meetings. Reimbursement of expenses incurred by Board members when attending meetings of the Board and concomitant Board committee meetings may include reimbursement for up to three nights lodging.

3.07.03 TexasBarCLE Events and Materials. Members of the Board and Officers of the State Bar and the TYLA shall keep informed on the professional development program. The fees and costs for attendance at courses and institutes and for TexasBarCLE materials shall be waived for Officers and Directors of the State Bar and the TYLA while in office.

3.07.04 Annual Meeting. No member of the State Bar will have his or her expenses and fees reimbursed by the State Bar for attendance at the annual meeting except:

(A) members who are employees of the State Bar;

(B) members who are program participants and who would not otherwise be in attendance; and

(C) the President, President-elect, Immediate Past President, Chair, public Directors, out-of-state lawyer liaison, and judicial liaisons to the Board. Airfare for spouses or companions thereof will be reimbursed.

(D) Board members who attend the Board meeting held in conjunction with the annual meeting will be reimbursed as provided for travel and up to two night's room expenses, or the same as attendance at any other Board meeting.

3.07.05 Standing and Special Committee Members. Expenses incurred by committee members in the conduct of their official business shall be reimbursed by the State Bar in conformity with policies established by the Board. Provisions shall be made in the annual budget for committee expenses. The Executive Director shall be authorized to not approve any requests for reimbursement for travel expenses incurred in attending a committee meeting for which a notice and agenda was not received at least ten days prior to the meeting and until all committee reports due, as well as the minutes and attendance record of that committee meeting, have been

forwarded to the Executive Director and reviewed. Any exception to the notice and agenda requirements set forth in this paragraph shall be approved by the President, President-elect, or Executive Director. Committee members shall be notified of the contents of this paragraph.

3.07.06 ***Staff Travel.*** State Bar employees will be reimbursed for their actual, reasonable expenses when traveling on official State Bar business.

(A) No staff member of the State Bar may register for, travel to, or attend any out-of-state meeting or event at State Bar expense that is not a State Bar-sponsored event without initially:

(1) presenting a request/authorization for attendance, which shall include:

(a) the location of the meeting or event;

(b) the full identity of the organization sponsoring the meeting or event;

(c) the nature of the meeting or event to be attended;

(d) the number of days during which attendance will be necessitated, which shall include the date of commencement and date of termination of the meeting;

(e) the reason for requested attendance at the meeting or event; and

(f) the full amount of air travel round trip, the full amount of lodging during the meeting or event, the amount of registration fee, anticipated meal expenses and anticipated miscellaneous expense; and

(2) obtaining the prior authorization and approval of the Executive Director before registering for the event or meeting.

(B) The Executive Director shall provide periodic reports on staff travel to the Executive Committee and the Board.

3.07.07 Stipend for Administrative Expenses.

(A) *President.* To further the mission statement of the State Bar of Texas and to assist in defraying the administrative costs incurred by the President during his or her term of office, and in addition to the reimbursement of expenses to which the President is entitled by this Policy Manual, the President or his or her designee may receive $30,000.00 during his or her year in office.

(B) *President-Elect.* To further the mission statement of the State Bar of Texas and to assist in defraying the administrative costs incurred by the President-elect during his or her term of office, and in addition to the reimbursement of expenses to which the President-elect is entitled by this Policy Manual, the President-elect or his or her designee may receive $20,000.00 during his or her year in office.

(C) *Immediate Past President.* To further the mission statement of the State Bar of Texas and to assist in defraying the administrative costs incurred by the Immediate Past President during his or her term of office, and in addition to the reimbursement of the expenses to which the Immediate Past President is entitled by this Policy Manual, the Immediate Past President or his or her designee may receive $20,000 during his or her year in office.

3.08 Special Funds

3.08.01 Book Fund.

(A) *Purpose.* The Book Fund shall be dedicated exclusively to continuing legal education publications for the lawyers of Texas. The term "publications" includes without limitation electronic publication or distribution by such means as computer disks, digital communication and the Internet, videotape, telephone, satellite, electronic media or other tangible medium now known or that might be created in the future.

(B) *Segregated Fund*. The Book Fund account shall be maintained as a segregated fund in a separate account and shall be invested in interest-earning investments under policies approved by the Board, with all accruals to become a part of the Book Fund. The Book Fund account need not be kept in a separate bank account.

(C) *Proceeds Dedicated to Book Fund.* All proceeds from all publications, products and activities funded through the Book Fund, including sales revenues, licensing fees and royalties, and subscription fees, shall be deposited to the Book Fund.

(D) *Approval Process.* All activities and projects to be funded through the Book Fund must meet the purpose of Subsection (A) above and shall be approved by the Board:

(1) through the budget process for the Book Fund; or

(2) during a budget year by the Board acting through its Professional Development Subcommittee upon the recommendation of:

(a) the Continuing Legal Education Committee; or

(b) the President or President-elect after consideration by the Continuing Legal Education Committee.

(E) *Administrative Fee.* The State Bar may collect an administrative fee for necessary services provided to the Book Fund, which fee shall be an estimate based on the actual cost of such services to the State Bar. The Board will review and approve this fee in connection with the annual budget.

(F) *Royalties.*

(1) *Sections.* Sections preparing publications under the Book Fund shall receive a royalty of ten percent on the gross revenue from the sale of the first 4,000 units and fifteen percent royalty thereafter. Supplements shall be treated as new publications.

(2) *Other Contributors.* Individuals, entities, or organizations that contribute to a publication may be paid a royalty upon consideration and approval by the Board or by the Professional Development Subcommittee acting on behalf of the Board; however, members of State Bar committees shall not be paid a royalty for their contributions to publications arising out of the work of the committee.

3.08.02 Client Security Fund

(A) *Purpose.* The State Bar shall maintain and administer a Client Security Fund. The purpose of the Fund is to protect the integrity of the legal profession through discretionary grants to clients who have been harmed by their lawyers' dishonest conduct.

(B) *Administration of the Fund.* The Client Security Fund shall be administered through the Office of the Chief Disciplinary Counsel and the Client Security Fund Subcommittee ("the Subcommittee"). The Client Security Fund Subcommittee operates as a standing subcommittee of the Discipline and Client Attorney Assistance Committee.

(C) *Subcommittee Meetings.* Meetings of the Subcommittee may be held at a place and time fixed by the chair or the vice-chair or by the Subcommittee. The meetings may be in person or by any means of telephonic or electronic communication. Notice of the time and place of each meeting shall be given at least one day before the meeting and the notice may be given orally or by mail, facsimile, or telephone or other electronic communication, addressed to the member of the Subcommittee at the member's office or at such other place designated by the member. The Subcommittee shall have authority to adopt administrative rules for the prompt and efficient processing and resolution of applications, provided that those rules shall not be inconsistent herewith. A quorum of the members, consisting of at least 51% of the members, is necessary for action to be taken by the Subcommittee. Decisions will be made by a majority of the members present.

(D) *Funding of the Client Security Fund.*

(1) *Corpus*. The Client Security Fund corpus shall be maintained at an amount of not less than $2,000,000. Any amount exceeding $2,000,000 in the corpus may be withdrawn to fund grants.

(2) *Investment Portfolio*. The Executive Director shall establish a separate portfolio of investments to constitute the assets of the Client Security Fund.

(3) *Funding for Grants.* Funding sources include:

(a) An appropriation of not less than $300,000 made annually from the State Bar's general fund;

(b) Interest earned on the corpus during the fiscal year;

(c) Restitution and/or reimbursements to the Fund during the fiscal year;

(d) Any funds deposited into the corpus through funds collected from outside sources; and

(e) Any funds deposited into the corpus from unused money available for grants.

(E) *Application Forms*

(1) The Subcommittee shall prepare a form of application for grant.

(2) The application shall be sworn and executed by the applicant under penalty of perjury and shall require, as minimum information, the following:

(a) The name and address of the lawyer;

(b) The amount of alleged loss;

(c) The date or period of time during which the alleged loss was incurred;

(d) The date on which the alleged loss was discovered;

(e) The name and address of the applicant;

(f) A general statement of facts relative to the application;

(g) A statement that the applicant has read these rules and agrees to be bound by them;

(h) A statement that the loss was not covered by any insurance, indemnity, or bond or, if so covered, the name and address of the insurance or bonding company, if known, and the extent of the coverage and the amount of payment, if any, made; and

(i) A statement that the applicant agrees that the result of the investigation together with all evidence in connection with it shall remain confidential.

(3) The form or application shall contain the following statement in bold type:

"THE STATE BAR OF TEXAS HAS NO LEGAL RESPONSIBILITY FOR THE ACTS OF INDIVIDUAL LAWYERS. NO ONE HAS A RIGHT TO A GRANT FROM THE CLIENT SECURITY FUND. AVAILABLE AMOUNTS ARE LIMITED, AND GRANTS ARE MADE ONLY IN THE SOLE AND FINAL DISCRETION OF THE STATE BAR OF TEXAS."

(F) *Publication of Application Process*. The Office of the Chief Disciplinary Counsel shall publish the rules and procedures governing the Client Security Fund to the chair of each grievance committee, along with application forms and brochures.

(G) *Rules and Procedures.* These rules shall govern proceedings conducted on applications for grant from the Client Security Fund of the State Bar. These rules shall be applied in such a manner to achieve the objective of protecting the integrity of the legal profession. Accordingly, the Subcommittee may, in its sole and absolute discretion, and in cases of extreme hardship or special and unusual circumstances, authorize payment of a grant that would otherwise be excluded by technical adherence to these rules. These rules will become effective immediately upon Board approval and shall apply to all pending applications.

RULE 1. Eligibility for Application—General Rule

(A) The claimant must thoroughly complete the application for grant form approved by the Subcommittee and sign it under penalty of perjury.

(B) Failure by an applicant to keep the Subcommittee apprised of his or her current address and telephone number is grounds for denial, rescission of approval, or rejection of the application.

(C) The information provided in the application shall be either typewritten or printed. If not legible, it shall be returned to the applicant.

(D) In order to prove eligibility, an applicant must prove:

(1) That one's lawyer engaged in dishonest conduct (as further defined in *Rule 2* and *Rule 3*);

(2) That he or she was a client of that lawyer (as further defined and limited in *Rule 4*);

(3) That the lawyer gained possession and control of the client's money or property (as further defined and limited in *Rule 5*);

(4) That he or she sustained a loss of money or property as a result of the dishonest conduct (as further defined and limited in *Rule 5*);

(5) That he or she participates in the grievance process when required (as set forth in *Rule 6*); and

(6) Timely filing of an application for grant (as defined in *Rule 7*).

RULE 2. Eligibility for Application—Dishonest Conduct by Lawyer

(A) The term "dishonest conduct" as used herein means wrongful acts committed by a lawyer in the manner of defalcation or embezzlement of money, or the wrongful taking or conversion of money or property including those instances where an advance fee was not refunded when the contracted-for services were not rendered.

(B) If a lawyer accepts a fee while disciplinarily suspended or disbarred, the lawyer may be deemed to have done so with no intent to render the services sought.

(C) The dishonest conduct must have occurred in Texas.

RULE 3. Eligibility for Application—Status of Lawyer

(A) In order to be eligible for an application for grant, the client's loss must have been caused by dishonest conduct of a person:

(1) acting as a lawyer;

(2) acting in a fiduciary capacity customary to the practice of law (such as acting as an administrator, executor or trustee in a probate, guardianship or conservatorship proceeding or pursuant to an express trust agreement, but not including holding funds primarily for investment purposes); or

(3) acting as an escrow holder or other fiduciary, having been designated as such by a client or having been so appointed or selected as a result of a client-attorney relationship in the matter in which the loss arose.

(B) The term "lawyer" as used herein means any person licensed to practice law in the State of Texas, including persons who have been suspended or disbarred from the practice of law.

(C) Dishonest conduct by persons supervised or paid by the lawyer in the course of his practice of law, or those whom the lawyer should have been aware were conducting business on his behalf may, in the discretion of

the Subcommittee, form the basis for a grant from the Fund.

RULE 4. Eligibility for Application—Status as a Client

(A) No person may be eligible for consideration of an application for grant unless sufficient proof demonstrates the existence of an attorney-client relationship between the applicant and the lawyer.

(B) A "client" is a person, public officer, or corporation, association, or other organization or entity, either public or private, who is rendered professional legal services by a lawyer, or who consults a lawyer with a view to obtaining professional legal services from that lawyer.

(C) For the purposes of the application and grant from the Fund, a client may also include a person who paid or tendered money on behalf of the client.

(D) The following persons and entities are not eligible for application consideration:

(1) the spouse or other close relative, partner, associate, employer, or employee of the lawyer;

(2) an insurer, surety, or bonding agency or company;

(3) any business entity controlled by the lawyer;

(4) any business entity controlled by any person or entity described in paragraphs (i) or (ii);

(5) a governmental entity or agency:

(6) any assignee of a client's claim, cause of action or settlement proceeds; or

(7) any provider of services to a client through letters of protection or guarantee.

RULE 5. Eligibility for Application---Grants for Certain Losses

(A) A client may seek a grant only for money or property that actually came into the possession or control of the lawyer.

(B) The applicant must produce sufficient evidence to support allegations of such a loss.

(C) A client may not obtain a grant under the Fund for losses attributed to:

(1) Disputes with a lawyer about the quality of services performed;

(2) Disputes regarding the amount charged for services actually performed;

(3) Consequential damages resulting from dishonest conduct or malpractice;

(4) Any loss, or reimbursable portion thereof, covered by any insurance or by any fidelity or similar bond or fund, whether of the lawyer, the applicant or otherwise.

(5) Any loss already recovered by the client through restitution or reimbursement from the lawyer or on the lawyer's behalf; or

(6) Any loss already satisfied through payment of a civil or criminal judgment entered against the lawyer.

(D) If a client is required to file a grievance pursuant to *Rule 6(B)*, no grant may be obtained under the Fund if the final grievance process results in:

(1) a dismissal of charges or

(2) conclusions of law related only to violations for non-communication, failure to respond to the grievance committee or practicing while administratively suspended.

RULE 6. Eligibility for Application---Grievance Process

(A) Unless paragraph (B) applies, the applicant must first file a grievance against the lawyer and cooperate in all grievance proceedings by the Bar against the lawyer as a prerequisite to the application for grant.

(B) An applicant is not required to file a grievance against the lawyer as a condition precedent to filing an application if the lawyer:

(1) is deceased,

(2) has already been disbarred by the State Bar of Texas,

(3) has been adjudicated as mentally incompetent, or

(4) has resigned in lieu of discipline.

RULE 7. Eligibility for Application—Timely Filing of Application

(A) All applicants must file a timely application for grant with the Office of the Chief Disciplinary Counsel in Austin, Texas.

(B) When an applicant is required to file a grievance against the lawyer as set forth in *Rule 6(A)*, an application is considered timely if it is filed within 18 months after the

final disciplinary judgment is rendered on that grievance.

(C) When an applicant is not required to file a grievance as set forth in *Rule 6(A)*, in no case shall a grant from the Fund be approved when it is filed longer than four years from the time the loss was discovered or should have been discovered.

(D) Failure to file a timely application for grant shall result in dismissal and rejection of the application unless the Subcommittee finds good cause for the late filing. The Subcommittee has the sole and final discretion to consider whether good cause exists for an applicant filing a late application for grant.

RULE 8. Investigation by the Subcommittee

(A) On receipt of a sworn application, the Subcommittee shall conduct such investigation and hold such hearings as it determines necessary to establish all relevant facts in connection with the application. The Subcommittee may delegate its investigative duties to one or more staff persons employed by the Chief Disciplinary Counsel.

(B) The applicant must cooperate during the investigative process and with all persons delegated to perform investigative duties. If the applicant fails to submit proof, or does not meet any of the eligibility requirements in *Rules 1-7*, the application may be rejected and/or returned to the applicant at any time.

RULE 9. Evidence and Burden of Proof

(A) The applicant bears the burden of proof on all issues of fact. All facts must be established by a preponderance of the evidence.

(B) Proceedings on applications need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common-law or statutory rule that might make improper the admission of the evidence over objection in civil actions.

RULE 10. Consideration by the Subcommittee

(A) In investigating an application for grant, the Subcommittee may consider, among other things:

(1) the negligence, if any, of the client that contributed to the loss;

(2) the comparative hardship of the client suffered by the loss;

(3) the total amount of reimbursable losses of the clients of any one lawyer or association of lawyers;

(4) the total amount of grants made in previous years for which total funding has not been made and the total assets of the fund;

(5) the total amount of insurance or other source of funds available to compensate the client for the loss occasioned by the dishonest conduct of the lawyer;

(6) the amount of restitution ordered in the disciplinary judgment, and when the restitution is ordered to be paid. In general, if restitution is ordered to be paid in the short-term, the Subcommittee may defer making an award to give the respondent the opportunity to satisfy the judgment. If restitution is ordered to be paid by a date further in the future or by no date certain, the Subcommittee may approve a grant from the Fund.

(7) the findings of fact and conclusions of law in the disciplinary judgment; and

(8) any other factual information that the subcommittee considers to be relevant.

(B) When the filing of a grievance is required, the Subcommittee will not investigate the application until final action has been taken on the grievance except as provided in *Rule 10(C).*

(C) If a lawyer is under a disability suspension or cannot be served with process in the disciplinary proceeding, the Subcommittee may, in its discretion, review the application and approve or deny it.

RULE 11. Action by the Subcommittee

(A) The Subcommittee has the sole and final discretion to determine whether and to what extent any application for grant shall be approved and shall determine the order, manner (which may be in installments), and amount of any grant payments, subject to the limitation in *Rule 13*.

(B) Before the Subcommittee recommends a grant from the Client Security Fund, it must find that sufficient evidence establishes the claimant's eligibility and the extent of the loss.

(C) The Subcommittee, in its sole and final discretion, may require the exhaustion of some or all civil remedies before processing or approving applications for grant. The Subcommittee may require that an applicant prosecute or cooperate in appropriate civil proceedings against the accused lawyer as a prerequisite to approving a grant from the Fund. The Subcommittee may postpone consideration of any application until after any disciplinary action or court proceedings pending or contemplated have been completed.

RULE 12. Confidential Nature of Proceedings and Records

(A) The Subcommittee, during consideration of an application, may have access to any State Bar disciplinary files and records pertaining to the alleged loss. Any information or documents obtained by the Subcommittee from those files or records shall be used solely for the purpose of determining the validity of the application but otherwise shall constitute confidential information. No information concerning them and the matters to which they relate shall be subject to discovery, except such information may be disclosed as may be required by the Texas Disciplinary Rules of Professional Conduct or other applicable law.

(B) The files and records pertaining to all applications for grant from the Fund and all investigations or proceedings conducted in connection with them are the property of the State Bar and are confidential. No information concerning them and the matters to which they relate shall be given to any person except on order of the Board, as provided herein or as may be required by any other applicable law.

(C) The proceedings conducted before the Subcommittee shall not be public.

RULE 13. Maximum Reimbursement Limits

Regardless of the amount of the loss proven in the application for grant, no application shall be approved for a grant in excess of $40,000 for losses to any one applicant arising out of the dishonest conduct. Multiple applicants having losses arising out of the same transaction may be considered by the Subcommittee to constitute one loss subject to the $30,000 cap on grants.

RULE 14. Grants at Sole and Final Discretion of State Bar

(A) All grants from the Fund are made only in the sole and final discretion of the Subcommittee.

(B) No liability to the Subcommittee, its members, or its staff shall result from any decisions of the Subcommittee, its members, or its staff.

RULE 15. Request for Reconsideration

(A) If an applicant is dissatisfied with the grant or denial of their application by the Subcommittee, he or she may request reconsideration.

(B) To request reconsideration, the applicant must give written notice of his request within 30 days after receiving notice of the grant approval or denial.

(C) The Subcommittee has sole and final discretion to consider or reject the request for reconsideration. The applicant has no right of appeal.

RULE 16. Rejection of the Application by the Subcommittee

(A) Whenever a majority of the members of the Subcommittee present at the meeting at which the application is considered determines that sufficient evidence has not been presented to establish eligibility, that determination shall constitute rejection of the application.

(B) After an application has been rejected, the Subcommittee or delegated persons with the Office of the Chief Disciplinary Counsel shall advise the applicant of the rejection in writing at the applicant's last known address as listed in the application.

RULE 17. Assignment of Applicant's Rights, Subrogation and Reimbursement Required

(A) *Assignments of Rights*. Grants on approved applications shall be made from the Client Security Fund only if the applicant assigns to the State Bar the applicant's rights against the lawyer involved or the lawyer's personal representative, estate, or assigns.

(B) *Subrogation*. The collection of the assignment shall be handled by the office of the Chief Disciplinary Counsel of the State Bar under the supervision of the Subcommittee or in such other manner as may be directed by the Subcommittee. To effect collection of assignment, the Chief Disciplinary Counsel may disclose any information concerning the application and its consideration by the State Bar that the Chief Disciplinary Counsel deems necessary. On commencement of any action by the State Bar, pursuant to its subrogation rights, it shall give written notice thereof to the applicant at the applicant's last known address as listed in the application.

(C) *Reimbursement to the Fund*. The applicant must also agree that if money paid to the applicant from the Fund is repaid by the lawyer or on the lawyer's behalf, then the applicant shall reimburse the amount of that grant to the Fund up to and including the full amount paid to the applicant from the Fund. The State Bar shall have the right to recover the full amount paid to the applicant out of the Fund from any liable person, firm, or corporation and take such legal action as it deems necessary. The applicant may only receive a part or portion of any recovery made by the State Bar after the State Bar has made a full recovery of the amount paid to the applicant by the Fund and attorneys' fees incurred by the State Bar in recovering the amount.

RULE 18. No Attorney's Fees Allowed

Except as provided in *Rule 17*, no attorney shall charge,

attempt to collect, or collect any fee, retainer, or contingent fee for the preparation, filing, negotiation, recovery, or any other act done or which may be done in connection with an application for grant before the Client Security Fund of the State Bar, whether the application is denied or approved for grant.

RULE 19. Applicant's Failure to Claim Grant

(A) Should the applicant not claim the grant within six months of the date of the approval by the Subcommittee of the grant, the grant shall revert to the Client Security Fund.

(B) In the event the grant reverts to the Fund as set forth in paragraph (A) above, the applicant may reapply to the Office of Chief Disciplinary Counsel. The applicant must show good cause for failing to claim the award. The Subcommittee has sole and final discretion to approve the grant or reject the grant at that time.

3.08.03 Building Fund. A permanent building or maintenance fund shall be established to maintain the Texas Law Center under the direction of the Board. Each year, the Budget Committee, in consultation with the Board Administration Committee and the Board Audit and Finance Committee, shall consider budgeting a transfer from the general fund to the building fund in such an amount so as to ensure that 80% to 100% of the annual capital equipment straight-line depreciation be transferred annually. All interest earned on the corpus within the building fund shall accumulate in the building fund.

3.08.04 Annual Meeting Fund. The receipt and expenditure of funds related to the annual meeting shall be accounted for and maintained as a separate fund. Expenses and revenues shall be reported in conformity with generally accepted accounting principles consistent with the approved budget for the annual meeting. Expenses shall be attributed to the same budget category as reported for the previous Fiscal Year's annual meeting.

3.09 Electronic Advertising

3.09.01 Application. This provision applies to advertising on any and all electronic publications of the State Bar, its divisions, sections, committees, and departments. It does not apply to the Texas Bar Journal nor to any other print publications. Nothing in this provision shall restrict the ability of divisions, sections, or the Texas Young Lawyers Association to govern the content of their websites, provided such content complies with the general guidelines established by the State Bar. For purposes of this section, "electronic publication" means websites, email newsletters, email lists and any other publication distributed online.

3.09.02 State Bar Electronic Publications. Except as provided in Subsection 3.09.03 below, the Executive Director is responsible for the sale of advertising on State Bar electronic publications, including those of the Texas Young Lawyers Association, subject to these provisions, the direction of the Board and any internal policies established by the Executive Director. Revenues from the sale of such electronic advertising shall be retained by the State Bar.

3.09.03 Electronic Publications of State Bar Divisions and Sections. State Bar divisions and sections may sell advertising on their electronic publications, subject to these provisions, the direction of the Board and any internal policies established by the Executive Director. Divisions and sections may delegate responsibility for such sales to the Executive Director, including the determination of content, rates and other relevant factors. Revenue from the sale of advertising on such electronic publications shall be retained by the pertinent division or section.

3.10 Grants

3.10.01 General. The State Bar may accept grants or funds to further the administration of justice in Texas. No grant to the State Bar may be accepted without the prior approval of the Board.

3.10.02 Approval Required by Board.

(A) No grant to the State Bar may be accepted without the prior approval of the Appeals-Grant Review Subcommittee of the Board.

(B) The administration of a grant program may not be undertaken by the State Bar without the prior approval of the Appeals-Grant Review Subcommittee of the Board.

3.10.03 Monitoring. The Appeals-Grant Review Subcommittee of the Board shall monitor all grants and programs on which a grant or a grant application has been accepted and shall advise the Board from time to time.

3.10.04 Evaluation. The Appeals-Grant Review Subcommittee of the Board shall evaluate all projects or programs initiated by committees, sections, or departments of the State Bar for which funding will be solicited from outside sources. Each proposal received shall be evaluated on the basis of its relevance to the overall purpose of the State Bar and whether it addresses a documented need of the public or the Bar.

3.10.05 Grant Review Guidelines.

(A) Annual Notice.

(1) Annually, the chair of the State Bar's Appeals-Grant

Review Subcommittee will advise by letter each State Bar department, committee, and section that all outside funding for existing or newly created State Bar programs and projects is to be coordinated, reviewed, and approved by the Appeals-Grant Review Subcommittee and that all applications for outside funding should be initially directed to the chair of the Appeals-Grant Review Subcommittee.

(2) The annual notice will advise grant request sponsors of the State Bar's schedule for reviewing and recommending action on a grant application and will itemize the information that must accompany a grant request in order for the committee to make its decision.

3.10.06 Committee Meetings. The Appeals-Grant Review Subcommittee will meet to review grant applications.

3.10.07 Information Necessary for Formulation of Committee Recommendation.

(A) The following information and statements should be furnished to the Appeals-Grant Review Subcommittee for each grant application:

(1) Name of the program, project, committee, or section seeking funds.

(2) Name and position of the individual making the request; if a committee or section, then a statement should be included advising whether the project was endorsed by a majority of the committee or section.

(3) Description of the project and the time frame for its implementation and conclusion.

(4) Statement of whether funds from outside sources have been previously solicited for the project and the result of that solicitation.

(5) Detailed budget of expenses.

(6) Disclosure of all sources of funds for the project.

(7) Statement of whether or not matching funds will be expected from the State Bar.

(8) Statement of whether or not the project meets a particular need of the State Bar.

(9) Statement of whether the project meet a critical need of the State Bar.

(10) Statement of whether there are other State Bar programs currently providing or implementing a similar project or service.

(11) Statement of whether any portion of the fund being requested can be deferred to the next budget year.

(12) Identification of the target group that will benefit from the grant.

(13) Confirmation that a copy of the completed application has been forwarded to the Executive Director.

3.10.08 Request for Additional Information. If the Appeals-Grant Review Subcommittee believes the information provided is insufficient, the committee at its discretion may delay a decision and request additional written information or a personal interview with the sponsor of the application before a decision is made.

3.10.09 Approval. On completion of the Appeals-Grant Review Subcommittee's review of a grant application, the Appeals-Grant Review Subcommittee will vote to approve or disapprove the submission of the application for outside funding and will provide a written report to the Board at the next Board meeting stating the action taken by the Appeals-Grant Review Subcommittee.

3.10.10 Notice of Action.

(A) The chair of the Appeals-Grant Review Subcommittee will advise the sponsor of each grant application about the conclusion reached by the Appeals-Grant Review Subcommittee during the review process.

(B) If a grant application is disapproved, applicants may file an appeal to the Board, which shall be considered by the Board at its next Board meeting.

3.11 Texas Law Center

3.11.01 Principal Executive Office. The principal executive office of the State Bar shall be located in a building known as the Texas Law Center located at 1414 Colorado, Austin, Texas.

3.11.02 Lease to Other Organizations.

(A) The State Bar may lease vacant available space in the Texas Law Center to other organizations whose primary activities involve the lawyers or the judiciary of Texas and other organizations determined by the Board.

(B) All tenants renting space at the Texas Law Center will be charged rent at cost as determined by the Board. This policy will apply regardless of the nature of the organization renting space and will apply to agencies operated under the auspices of the State Bar, such as the Board of Legal Specialization, and agencies supported by grants, such as the Texas Center for the Judiciary. At the time that leases are entered into, the Board will consider

appropriating State Bar funds to subsidize the operations of some of its tenants, according to policies and procedures developed by the Board. All leases must be approved by the Board and space in the building will not be leased for a period longer than one year.

(C) A portion of the available parking spaces in the building will be allocated for the use and benefit of employees of the State Bar and the employees of tenants.

3.11.03 Meeting Rooms. The meeting rooms at the Texas Law Center will be reserved for State Bar business and activities and for members of the State Bar. Permanent meeting rooms and their seating capacities are:

Floor P1: Governor Bill and Vara Daniel Conference Room –capacity 12

1st Floor: Stewart Morris Board Room – capacity 13 – 40

1st Floor: Hatton W. Sumners Room – capacity 13 – 150

1st Floor: Room 102 – capacity 12

1st Floor: Room 103 – capacity 12

2nd Floor: CDC Conference Room #1 – capacity 10

3rd Floor: Room 330 – capacity 8

4th Floor: Room 410 – capacity 16

4th Floor: Room 437 – capacity 8

4th Floor: Room 438 – capacity 6

5th Floor: Room 528 – capacity 8

6th Floor: Room 603 – capacity 17

3.11.04 Use of Meeting Rooms. The President, Executive Director and Deputy Executive Director are authorized to allow any law-related organization to meet in the Law Center on such terms and conditions as are deemed appropriate:

(A) Meeting rooms on floors 1 and P1 shall be available for use by members of the State Bar, local bars and law-affiliated groups. These groups shall be booked on a first-come, first-served basis no more than seventy-five days in advance.

(B) All meeting rooms in the Law Center shall be available for use by the State Bar Board, sections, committees and staff departments. Rooms may be reserved no more than one year in advance.

(C) Meeting rooms scheduled on floors 3 – 6 may include non-staff members, but must be scheduled by staff and staff must be in attendance. Any staff member may schedule a meeting for any floor whether or not their office/work station is on that floor.

(D) Food and drinks may be consumed in any meeting room except the Stewart Morris Board Room as specified below. Facilities staff will provide drink set-ups for meetings on floors P1 and 1. Meeting coordinators will be responsible for drink set-ups for meetings on floors 2-6. Soft drinks, bottled water and coffee packets may be obtained from the P1 supply store with advance notice of at least two hours.

(E) Except for State Bar Officer, Board Committee, and Commission for Lawyer Discipline meetings, meetings in the Stewart Morris Board Room: shall only be scheduled for meetings having in excess of 12 participants; must have the approval of the Executive Director or Deputy Executive Director; food consumption, if any, must take place in the lobby; drinks are allowed as long as coasters are used; and AV equipment must be operated by a qualified staff member with staff time charged at $30/hour.

(F) Parking must be arranged by the meeting's coordinator at an off-site location since parking can't be guaranteed in the Law Center parking garage. Staff and non-staff members with parking badges may always park in the Law Center parking garage. There are eight visitor parking spaces on the west side of the Law Center that are intended for those having "drop-in" business at the Law Center.

(G) Use of meeting rooms is permitted only if the number of occupants and their conduct are not disruptive of business use and the activities of others in the building. Activities must not violate any law, regulation, rule or policy, nor constitute a nuisance, hazard or building use problem in the opinion of the Executive Director and/or the Director of Purchasing and Facilities.

(H) All furniture is permanent and must not be moved except by authorized personnel.
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(I) Any audiovisual equipment needed for the meeting must be listed on the meeting request form.

(J) No personal events (weddings, showers, etc.) are to be booked in the meeting rooms. Receptions and events connected with employment, retirement or judicial appointments may be held in the meeting rooms.

(K) No meeting shall be scheduled to extend past the regular business hours of the Texas Law Center without prior written authorization from the Director of Purchasing and Facilities. Regular business hours are 8:00a.m. – 5:00p.m. Monday through Friday and 8:00 a.m. – 12:00

noon Saturdays.

(L) All meeting rooms are smoke-free areas. All weapons and firearms are prohibited on the premises of the Texas Law Center.

3.11.05 Parking. The Executive Director may designate reserved parking spaces at the Texas Law Center for the State Bar President, the Executive Director, the Chief Disciplinary Counsel, employees, tenants, and others that he or she deems appropriate. Parking in the Texas Law Center underground garage is reserved for State Bar staff and others with gate-entry badges. The exterior parking lot is reserved for individuals having drop-in business.

(A) *Large Groups.* Parking capacity in the building is limited. Parking for meetings involving volunteer members on Bar-related business will be arranged by the meeting planner. Non-Bar-related groups booking an event shall make arrangements for parking off premises. A list of alternate parking areas is available from the receptionist.

(B) *Motor Vehicle Restrictions.* Any motor vehicle parked in unauthorized areas or in violation of this policy is subject to removal and towing at the motor vehicle owner and/or operator's sole expense and liability. Long-term storage of vehicles at the Texas Law Center is strictly forbidden. Vehicles parked overnight require the prior written approval of the Director of Purchasing and Facilities. Unattended vehicles are subject to be towed at the motor vehicle owner's and/or operator's sole expense and liability.

(C) *Additional Restrictions.* All weapons and firearms are prohibited in all parking areas. Smoking is not permitted in the parking facility.

***3.11.06 Portraits*.** Portraits of the President and past Presidents shall be permanently displayed in a prominent place within the Texas Law Center. The cost of these portraits shall be borne by the State Bar.

3.12 Alcoholic Beverages

***3.12.01 Fund Restrictions*.** None of the funds of the State Bar collected from mandatory dues may be used for the purchase of alcoholic beverages.

3.12.02 Application. This policy does not apply to functions sponsored by individual sections based on their use of separate dues or to State Bar projects such as continuing legal education or other meetings for which a separate and specified fee is charged for the purchase and use of alcoholic beverages.

3.12.03 Premises. The storage of alcoholic beverages on premises owned or leased by the State Bar is prohibited.

3.13 Contingent Disposition of Property

If the State Bar ceases to exist as a legal entity for any reason, all property of the State Bar shall be transferred to the Supreme Court to be held in trust for the attorneys of this state.

3.14 Notice and Objection to Certain Expenditures

3.14.01 Statement of Policy. The purpose of the State Bar of Texas is to engage in those activities enumerated at §81.012 of the State Bar Act. The expenditure of funds by the State Bar of Texas is limited both as set forth at § 81.034 of the State Bar Act and in *Keller v. State Bar of California*, 496 U.S. 1 (1990). If any member feels that any actual or proposed expenditure is not within such purposes of, or limitations on, the State Bar, it is the policy of the State Bar to provide a means by which the member may register his or her objection thereto with the Executive Director of the State Bar for resolution as described below.

3.14.02 Members May Object. A member may object to a proposed or actual expenditure of the State Bar as not within the purposes or limitations set out at Subsection 3.15.01, above, and seek refund of a *pro rata* portion of his or her dues expended, plus interest, by filing a written objection with the Executive Director. The objection must be made in writing, addressed to the Executive Director of the State Bar, P.O. Box 12487, Austin, TX 78711, and postmarked no later than NINETY (90) days after the conclusion of the challenged activity.

3.14.03 Executive Director's Duty upon Receipt of Objection. Upon receipt of a member's objection, the Executive Director shall promptly review such objection together with the allocation of dues monies spent on the activity or action and, in consultation with the President, shall have the discretion to resolve the objection, including refunding a *pro rata* portion of the member's dues, plus interest.

***3.14.04 Payment to Objecting Member*.** Refund of a *pro rata* share of the member's dues shall be for the convenience of the Bar, and shall not be construed as an admission that the activity or action to which the member objected was or would not have been within the purposes or limitations stated at Subsection 3.15.01, above.

3.14.05 Notice of Policy and Protest Procedure. The following notice shall be published in conjunction with any publication or description of the State Bar's budget, legislative program, performance measures, amicus briefs, and any other similar policy positions adopted by the State Bar:

The purpose of the State Bar of Texas is to engage in

those activities enumerated at §81.012 of the State Bar Act. The expenditure of funds by the State Bar of Texas is limited both as set forth at §81.034 of the State Bar Act and in *Keller v. State Bar of California*, 496 U.S. 1 (1990). If any member feels that any actual or proposed expenditure is not within such purposes of, or limitations on, the State Bar, then such member may object thereto and seek a refund of a *pro rata* portion of his or her dues expended, plus interest, by filing a written objection with the Executive Director. The objection must be made in writing, addressed to the Executive Director of the State Bar, P.O. Box 12487, Austin, TX 78711, and postmarked no later than NINETY (90) days after the conclusion of the challenged activity.

Upon receipt of a member's objection, the Executive Director shall promptly review such objection together with the allocation of dues monies spent on the challenged activity and, in consultation with the President, shall have the discretion to resolve the objection, including refunding a *pro rata* portion of the member's dues, plus interest. Refund of a *pro rata* share of the member's dues shall be for the convenience of the Bar, and shall not be construed as an admission that the challenged activity was or would not have been within the purposes of or limitations on the State Bar.

PART IV. STATE BAR COMMITTEES

4.01 Standing State Bar Committees

4.01.01 General. Except as noted otherwise, Standing Committees are established by the Board upon recommendation of the incoming President, and will conduct themselves within the policies adopted by the Board, the provisions of the State Bar Act, and the State Bar Rules.

4.01.02 Appointment of Members.

(A) At the third quarterly Board meeting, the President-elect will submit to the Board for approval a list of Standing and Special Committees for the upcoming Organizational Year, a list of proposed chairs and, where pertinent, co-chairs or vice-chairs of such committees, and a roster of proposed members of such committees.

(B) At the fourth quarterly Board meeting, the President-elect will submit to the Board any proposed changes to the list of Standing and Special Committees, a list of chairs, co-chairs and vice-chairs of such committees, including any necessary changes or additions to the earlier submitted list, and a roster of members of such committees, including any necessary changes or additions to the earlier submitted list.

(C) At its first meeting of the new Organizational Year and/or its first quarterly meeting, the Board will approve any proposed changes to the list of Standing and Special Committees, the list of chairs, co-chairs and vice-chairs of such committees, and the roster of members of such committees.

(D) The President-elect will determine the number of regular members of the State Bar Standing Committees, except for Standing Committees created by the State Bar Act or State Bar Rules.

(E) The President-elect should appoint members to Standing Committees in a manner that the committee memberships are reflective of the composition of the State Bar membership.

(F) The President-elect may appoint non-lawyers to Standing Committees.

4.01.03 Advisory Members.

(A) In addition to regular Standing Committee members, the President-elect may appoint up to two advisory members of each committee as the President-elect deems advisable.

(B) Advisory members are entitled to attend committee meetings, serve on subcommittees, participate in discussion, and receive copies of notices and minutes of committee meetings, and all other communications sent to committee members.

(C) Advisory members are not eligible to vote (except upon special approval of the Board) but are eligible to receive reimbursement for expenses. Their attendance may not be included to determine any quorum.

(D) Advisory members serve until the annual meeting following their appointment. They may not be reappointed after serving three successive one-year terms until the expiration of at least a one-year period.

(E) Advisory members may, at any time and at the pleasure of the President, be appointed to regular committee status if that appointment does not cause the committee to exceed the maximum number of regular members as set in accordance with this Policy Manual.

4.01.04 Term of Regular Members.

(A) Each member of a Standing Committee will serve until the adjournment of the third annual meeting following appointment and until a successor is appointed; however, the President may reassign regular Standing Committee members to advisory status if needed.

(B) The office of chair, co-chair, and vice-chair of a Standing Committee are one year in duration. A chair, co-chair, or vice-chair may be reappointed to such office,

provided his or her term as a member of the committee has not expired.

(C) In the original appointment of each new Standing Committee under this provision, the President will designate one-third of the members to serve until the adjournment of the first annual meeting following their appointment, another third to serve until the adjournment of the second annual meeting following their appointment, and the remaining third to serve until the adjournment of the third annual meeting following their appointment.

(D) No member of a Standing Committee will be appointed to serve more than two consecutive three-year terms or a total of six years on the same committee. Unless there are extenuating circumstances, a Standing Committee member who has served the total of six years on the same committee cannot be reappointed to another term on that committee until the expiration of at least a two-year period. Any term of service as an advisory member will not be counted against that period. Members of Standing Committees that publish pattern jury charges, or the *Texas Real Estate Forms Manual* will not be appointed to serve more than three consecutive three-year terms or a total of 9 years on the same committee. A member of a pattern jury charge committee or the Texas Real Estate Forms Manual Committee who has served the total of 9 years on the same committee cannot be reappointed to another term on the same committee until the expiration of at least a two-year period.

(E) Unless approved by the Board, no Board member may serve as a regular member of a standing or special committee.

4.01.05 List of State Bar Standing Committees.

• Administration of Rules of Evidence
• Advertising Review
• Child Abuse and Neglect
• Continuing Legal Education
• Council of Chairs
• Court Rules
• Crime Victims
• Disability Issues
• Diversity in the Profession
• Jury Service
• Law Focused Education
• Law Practice Management
• Laws Relating to Immigration and Nationality
• Lawyers' Assistance Program
• Legal Services to the Poor in Civil Matters
• Legal Services to the Poor in Criminal Matters
• Local Bar Services
• Minimum Continuing Legal Education
• Pattern Jury Charges – Business, Consumer, and Employment
• Pattern Jury Charges – Criminal
• Pattern Jury Charges – Family and Probate
• Pattern Jury Charges – General Negligence, Intentional Personal Torts and Workers' Compensation
• Pattern Jury Charges – Malpractice, Premises, and Products
• Pattern Jury Charges – Oil and Gas
• Pattern Jury Charges - Oversight
• Professionalism
• Public Affairs
• Real Estate Forms
• Texas Bar Journal Board of Editors
• Texas Disciplinary Rules of Professional Conduct
• Women in the Profession

4.02 Special Committees

4.02.01 Establishment. The Board, either on its own initiative or recommendation of the President, may create by resolution Special Committees and may define the limited objectives, powers and duties of these committees to investigate and study matters of an immediate or nonrecurring character relating to the specific purposes, business, and objectives of the State Bar. Special Committees act within the provisions of the State Bar Act and the State Bar Rules and policies established by the Board.

4.02.02 Membership. Special Committees are be composed of regular membership as the President may determine.

4.02.03 Duration. The life of any Special Committee will be coextensive with the nature of the task assigned, but will expire no later than the end of the annual meeting following its creation, unless the Board, on recommendation of the incoming President, votes to continue the committee.

4.02.04 List of Special State Bar Committees.

Annual Meeting

4.03 Removal and Replacement of Members

4.03.01 Removal. Any member of a Standing or Special Committee may be removed by the President, in consultation with the President-elect, before completion of the member's term, when the President determines that:

(A) the member has two unexcused absences from meetings of the committee within any twelve-month period;

(B) the member has neglected or breached the duties of committee membership;

(C) the member has violated any of the applicable provisions of this Policy Manual; or

(D) the member has become incapacitated or is unable to fulfill the duties of committee membership.

4.03.02 Vacancies. A vacancy in a committee membership position occurs upon:

(A) the death of a member;

(B) a judgment of incompetence of a member by a court of competent jurisdiction;

(C) a member's written resignation delivered to the President; or

(D) a member's removal pursuant to Section 4.03.01.

4.03.03 Filling of Vacancies. When a vacancy occurs in a committee membership position, the President may, but is not required to, appoint a member to fill the vacancy. When the vacancy is in the position of chair, co-chair, or vice-chair of a committee, the President may designate a current member of the committee to fill such vacancy for the remainder of the Organizational Year. Those appointed to fill the vacancy of a committee member shall serve the balance of the term of the position vacated.

4.04 Additional Committee Policies and Procedures

4.04.01 Size of Committees. Committees shall have a minimum of nine (9) members and a maximum of twenty-seven (27) members. In most instances, a maximum of twenty-one (21) members is desirable.

4.04.02 Organizational Meeting. An organizational meeting will be held involving the full committee by October 1.

4.04.03 Financial Responsibility. Each chair and vice-chair shall have the responsibility of effecting committee business within the budget provided for that committee. Meetings of the full committee will be held to a minimum and will be held at a location chosen with the factors of convenience to the membership, travel, and expense in mind. Whenever possible, the committee will function through its subcommittees with the full membership of the committee kept fully informed by mail, telephone, or teleconferencing. Teleconferencing equipment is available at State Bar headquarters for this purpose.

4.04.04 Organizational Meeting. At the organizational committee meeting, each committee chair will make the membership aware of the purpose clause of the particular committee and outline the chair's goals and focus for the year. Consideration should be given to appointing subcommittees and subcommittee chairs to further the goals and focus of each committee.

4.04.05 Notice. No committee meeting may be held without providing 10-days' notice to the members of the meeting accompanied by an agenda setting forth the subject matter to be considered at the meeting.

4.04.06 Staff Assistance. When necessary, staff members may be assigned to act as liaisons to standing or special committees. These assignments are made at the discretion of the Executive Director on request from a committee chair.

4.04.07 Lay Memberships. The President should appoint one or more non-lawyers (but not more than one-third of total committee membership) to committee membership as regular or advisory members. Lay members are entitled to attend committee meetings, participate in discussion, and receive copies of notices, minutes of committee meetings, and all other communications sent to committee members. They have the same rights, powers, and duties, including rights to vote and to reimbursement, if any, as other committee members of the same classification have.

4.04.08 Multiple Committee Memberships. No member may serve simultaneously on more than one State Bar committee without special approval of the Board, except in instances in which an additional committee membership is a result of the member's *ex officio* performance of a Bar office or position held by the member.

4.04.09 Attendance. Records of attendance at all meetings must be kept by the chair or secretary. It is the chair's or the chair's designee's responsibility to have prepared minutes of all committee and subcommittee meetings. The chair will forward to the Executive Director within ten days following each meeting the minutes of the meeting and the record of attendance.

4.04.10 Committee Reports.

(A) The chair of each committee will submit to the President (with copies to the President-elect, the Board advisor, the alternate Board advisor, the Executive Director, and the committee coordinator) two reports per year as follows:

(1) An outline of the projects and objectives of the committee for the coming year, due September 30; and

(2) The final report of April 1, which will contain the information specified by the Executive Director and President. (The final report will be published in the *Texas Bar Journal*.)

(B) On request of the President, the committee chair is also encouraged to report to the Board about the status of the committee's activities not later than twenty days before each Board's regularly scheduled quarterly meetings.

4.04.11 Income from Non-dues Sources. No funds may be solicited or received by any committee without prior approval of the Board. All funds will be remitted to the Executive Director for deposit in the State Bar bank accounts and for disbursement under procedures established by the Board.

4.04.12 Quorum. Committee meetings will be held on the call of the chair. Each committee meeting must be scheduled through the Executive Director or the designee, who will be responsible for sending meeting notices to committee members, obtaining replies, indicating attendance, and informing the chair of anticipated attendance. Any meeting notice that results in affirmative responses from less than a quorum by three days before the meeting will be canceled after reasonable notice to the committee chair, and the Executive Director or the designee will immediately notify the committee members of the cancellation. Copies of all committee notices will be provided to the President and President-elect. One-third of the members of any standing or special committee constitutes a quorum for the transaction of business, unless the Board, by special resolution, provides otherwise.

4.04.13 Representation of State Bar. No Standing or Special Committee or member thereof may, expressly or by implication, purport to represent the State Bar or any committee before any legislative body, agency, court, or other tribunal unless authorized to do so by the Board or the policies or guidelines of the State Bar.

4.04.14 Speaking or Writing. No Standing or Special Committee or member thereof may, expressly or by implication, purport to act, speak, or write on any subject on behalf of the State Bar or any committee unless authorized to do so by the Board or the policies or guidelines of the State Bar.

4.04.15 Advocacy. No Standing or Special Committee or member thereof may engage in any advocacy activities in violation of this Policy Manual, Tex. Govt. Code Section 81.034 or any other provision of the State Bar Act or other Texas statute, the rules of the Supreme Court of Texas or any Texas agency, or Texas or federal case law.

4.04.16 Contracts. All contracts for goods or services for a Standing or Special Committee must be reviewed by State Bar Legal Counsel and executed by a duly authorized signatory of the State Bar.

PART V. STATE BAR SECTIONS AND DIVISIONS

5.01 Sections

5.01.01 General. The Board may establish and maintain sections for the purpose of promoting the objectives of the State Bar within the particular field designated by the bylaws of each section, all subject to the laws, rules of court, regulations and policies of the State Bar. Sections are composed of lawyers who practice in specialized fields of law or who otherwise have common professional interests. Sections may, in their bylaws, provide for associate members such as legal assistants, non-attorney academic professors, and/or law students. The associate members shall not have voting privileges or hold office.

5.01.02 Creation of New Section. All proposals to establish a new section of the State Bar shall be governed by the following provisions:

(A) *Section Jurisdiction.* The contemplated jurisdiction of the proposed section shall not be in substantial conflict, nor substantially overlap, with the jurisdiction of any other section.

(B) *Petition to Create New Section.* A new section may be established by the Board upon written petition containing:

(1) the proposed section bylaws, which must include:

(a) a provision that no positions may be taken by the section, section members, or section council in the name of the section that advocate or advance a political or social policy position;

(b) provisions regarding section finances in compliance with Subsection 5.01.06 of this Policy Manual; and

(c) a provision that no amendments to the section's bylaws will be effective unless and until approved by the Board.

(2) the names of the initial officers, section council members and proposed committees of the section;

(3) a proposed initial budget of estimated income and expenses containing a dues structure sufficient to generate $2000 for each of the first two years of operation;

(4) a list of at least 200 members of the State Bar who have signed statements that they will apply for membership in the section;

(5) a detailed statement of purpose of the proposed section;

(6) a description of the contemplated jurisdiction of the section and a statement that such jurisdiction is not in substantial conflict, nor does it substantially overlap, with the jurisdiction of any other section;

(7) a brief summary of the purpose of the section

suitable for publication in the *Texas Bar Journal* or other publication of general circulation;

(8) a statement that the section will not act as a political or social advocacy group and shall comply with all State Bar policies, the State Bar Act, and the guidelines spelled out in *Keller v. State Bar of California,* 496 U.S. 1 (1990) and its progeny.

(C) *Process.*

(1) The petition and materials are to be submitted to the Section Representatives to the Board Committee for review. After determination that the petition and materials comply with Subsection 5.01.02 of this Policy Manual, the Section Representatives to the Board Committee will circulate copies of the petition and materials to each member of the Council of Chairs.

(2) The Section Representatives to the Board Committee may request additional materials and/or presentations from those in favor of and/or those opposed to the creation of the new section.

(3) After consideration of the proposal, the Section Representatives to the Board Committee shall submit its written recommendations regarding the proposed new section to the Executive Committee, with a copy to the proposed section, at least 14 days prior to the meeting at which the Executive Committee will consider the recommendations.

(4) After consideration of the recommendations of the Section Representatives to the Board Committee, the Executive Committee may approve the recommendations, reject the recommendations, or take such other action as it deems appropriate.

(5) After consideration by the Executive Committee, the Section Representatives to the Board Committee will submit its written recommendations to the Board at its next meeting, subject to notice and posting requirements, for consideration and such action as the Board deems appropriate. The recommendations must include a report on the actions taken by the Executive Committee.

(6) When considering a proposal to create a new section, the Section Representatives to the Board Committee, the Executive Committee, and the Board shall consider such factors and circumstances they consider appropriate, including whether:

(a) the proposed section meets the requirements set forth in this Policy Manual;

(b) the proposed section and its purposes fall within the purposes, express or implied, of the State Bar as provided in the State Bar Act; and

(c) adequate notice and opportunity has been afforded for presentation of supporting and opposing opinions and views.

(D) *Provisional Status.* If approved by the Board, a new section shall be accorded provisional status for a period of three years. Provisional sections shall comply with all requirements imposed on existing sections. At the end of the three-year period, the Section Representatives to the Board Committee shall review the provisional status to determine substantial compliance with these requirements and shall recommend the continuation or dissolution of the section to the Executive Committee, which shall then make a recommendation to the Board.

5.01.03 Section Name Change. All section name changes are subject to Board approval. The Board may approve a change in the name of a section, provided the new name does not substantially conflict with the name of any other existing section, nor indicate an expansion of the section's purview that would conflict with or overlap the purview of any other existing section. The following procedure shall be followed concerning a proposed change of a section's name:

(A) The name change must be approved by the section's membership in accordance with the section's bylaws.

(B) The section must present the proposed name change to the Council of Chairs for its consideration, comments and recommendation.

(C) The section must then present the proposed name change in writing to the Section Representatives to the Board for its consideration and recommendation. The written presentation must include:

(1) a statement that the proposed name change was approved by the section membership in accordance with the section's bylaws;

(2) an explanation of the reason for the name change; and

(3) a statement that the proposed name change was considered by the Council of Chairs, including a summary of the comments by any member(s) of the Council of Chairs and the recommendation of the Council of Chairs supporting or opposing the name change.

(D) The Section Representatives to the Board Committee may request other information from the section in support of its proposal, and may request comment from any other

persons concerning the proposal.

(E) The Section Representatives to the Board Committee shall then report to the Executive Committee the section's proposal and its recommendation supporting or opposing the name change. In its report, the Section Representatives to the Board Committee must inform the Executive Committee of the recommendation of the Council of Chairs concerning the proposed name change. The chair of the Executive Committee may allow any interested persons to appear before the Executive Committee in support of or opposition to the proposal.

(F) The Executive Committee shall then report to the Board concerning the proposal and its recommendation supporting or opposing the name change. The Chair may allow any interested persons to appear before the Board in support of or in opposition to the proposal.

5.01.04 Bylaws

(A) Section bylaws must remain in compliance with the State Bar Act, the State Bar Rules, this Policy Manual, and any other applicable action of the Board. The Section Representatives to the Board Committee may periodically review the bylaws of each section and make recommendations to the section, the Executive Committee, and the Board concerning any amendments to the bylaws necessary to ensure such compliance.

(B) Any amendments to a section's bylaws must be approved by the Board. To submit proposed amendments to the board, a section must deliver the proposal to the Executive Director no later than 30 days prior to the next regularly scheduled Board meeting. The Executive Director may require that the proposed amendments be reviewed by legal counsel and by the Section Representatives to the Board Committee prior to submission to the Board for approval.

5.01.05 Confidentiality of Member Information. All information concerning any section member that is deemed confidential by state or federal law, including Tex. Govt. Code Ch. 552 and Tex. Occ. Code Ch. 59, including email addresses, may be used only for official section business and may not be disclosed to the public. Sections must take reasonable, necessary precautions to protect the confidentiality of such information.

5.01.06 Finances

(A) *Section Dues and Other Fees.* Each section is authorized to collect membership dues and other funds from its activities and, subject to the other provisions of this Policy Manual, applicable law, rules and regulations, to determine how its funds are invested and expended. The Board must approve the establishment or revision of any section dues.

(B) *Depositories and Investments.* Section funds must be invested consistent with State Bar investment policy as set forth in Section 3.05 of this Policy Manual. Each section shall deposit its funds into either a branch of the State Bar banking depository, or an alternative banking depository meeting the requirements of the investment policy as set forth in Section 3.05 of this Policy Manual.

(C) *Books, Records and Reports.* Each section shall maintain accurate financial books and records and have appropriate controls on the maintenance and disbursement of sections' funds, all in a fashion that permits the inclusion of the sections' financial information in the State Bar's financial statements and audit. Each section also shall provide to the State Bar such financial information as may be required for compliance with the requirements for the independent financial and/or internal audits of the State Bar as required by applicable law, rules and regulations. To this end, the Audit and Finance Committee of the Board, in consultation with the State Bar's external auditors and the Council of Chairs, shall adopt, subject to approval by the Board, procedures for sections to report financial information for inclusion in the State Bar's financial statements and audit. These procedures may include requirements for delivery to the State Bar accounting department, on a basis as often as monthly, of copies of depository and investment statements and transaction histories for disbursements and deposits. Each section also shall submit to the Executive Director by July 15 of each year a section budget for the current Fiscal Year.

(D) *Sales Tax.* To the extent required by law, each section shall collect sales tax on goods or services that it sells, and timely each month, remit to the State Bar all sales tax collected during the immediately preceding month, along with a report listing the price, quantity and description of the goods or services so sold in such detail as the State Bar accounting department reasonably may require to ensure compliance with applicable law, rules and regulations. The Audit and Finance Committee of the Board shall adopt, in consultation with the Council of Chairs and subject to the approval of the Board, procedures for the sections to report sales tax information to the State Bar for inclusion in the State Bar's monthly sales tax report filed with the State Comptroller's Office.

(E) *State Bar Assistance to Sections*. For each section supplying the required monthly financial information of the section, the accounting department of the State Bar shall prepare and provide to the treasurer of the section, a monthly and year-to-date section financial report and a monthly cash and investment account reconciliation. Upon request, the accounting department of the State Bar shall be available to work with the bank and the treasurer of the section to facilitate the submission of the financial information to the State Bar. Additionally, any section may

elect to have the State Bar manage section funds, including depositing dues, managing operating expenses, issuing checks, and preparing financial reports and budgets. The State Bar will provide assistance to sections under this Subsection 5.01.06 at no charge to sections, except that expenses incurred in providing financial information in a format other than an electronic format prescribed by the accounting department of the State Bar shall be borne by the section.

(F) *Inclusion in Bylaws.* Each section shall include the provisions of this Section 5.01.06 as part of its bylaws.

5.01.07 Public Statements and Advocacy Activities

(A) *Representation of State Bar.* No section, section member, or section council shall purport to represent the State Bar before any legislative body, any administrative agency, in any court, or before any other tribunal unless expressly authorized to do so by the Board in accordance with Board policies and procedures.

(B) *Speaking or Writing.* No section, section member, or section council shall at any time, expressly or impliedly, purport to act, speak, or write on any subject on behalf of the State Bar unless expressly authorized to do so by the Board in accordance with Board policies and procedures.

(C) *State Bar Seal and Letterhead.* No section, section member, or section council shall at any time use the State Bar seal or letterhead for any purpose other than for the section's official properly authorized business.

(D) *State Bar Legislative Policy.* Sections may compile and submit suggestions to the Board's Legislative Policy Subcommittee regarding legislation prior to the beginning of each regular session of the Legislature, and, if warranted, during a session. Except as may be provided elsewhere in this Policy Manual, no positions may be taken by the section, section members, or section council in the name of the section that advocates or advances a political or social policy position.

(E) *Compliance.* No section, section member, or section council shall intentionally act in violation of state or federal law, including *Keller v. State Bar of California,* 496 U.S. (1990) and its progeny.

5.01.08 Contracts. All contracts for goods or services for a section must be reviewed by State Bar Legal Counsel and executed by a duly authorized signatory of the State Bar.

5.01.09 Meetings. Each section shall hold at least one annual membership meeting at a time and place within Texas to be determined by its council. Notices of all council and membership meetings shall be provided to the President, President-elect, Executive Director and the section's Board advisors.

5.01.10 Publications.

(A) *Newsletters.* Each section shall publish at least one newsletter each Fiscal Year. A copy of the newsletter(s) shall be provided to the President, President-elect, Executive Director, the coordinator of committees and the coordinator of sections.

(B) *Texas Bar Journal.* Sections are allowed to have, at no cost, a one-fourth page advertising space in the *Texas Bar Journal* each year to solicit new members.

5.01.11 Continuance. The Board may periodically review a section's fiduciary management of dues income, compliance with this Policy Manual, and membership services to determine whether continuation of the section, and inclusion of the section's dues notice on the annual State Bar dues statement for the coming Fiscal Year, is warranted. In conducting such a review, the Board may seek recommendations of the Section Representatives to the Board Committee and the Council of Chairs.

5.01.12 Dissolution and Merger

(A) The Board may dissolve a section for good cause, including but not limited to:

(1) intentional violation of state or federal law, court rule, its bylaws, or State Bar policy, including, but not limited to, those governing public statements, finances, and legislative policy;

(2) substantially declining section membership; or

(3) failure to provide services to its members in accordance with its purposes.

(B) If the Board determines it to be in the best interests of the State Bar and the lawyers of Texas, the Board may merge two or more sections:

(1) upon a determination that the purposes and jurisdictions of the applicable sections involved substantially overlap and that more than one section in that area is not needed; or

(2) upon the request of the sections involved, provided that the membership of each of the sections has approved the merger in accordance with the sections' bylaws.

5.01.13 Orientation. The President, together with the State Bar staff, shall conduct an orientation session for incoming section chairs and treasurers. The curriculum shall include written materials on State Bar policy, the State Bar Act, fiduciary management, public and

legislative positions, and restrictions imposed by *Keller v. State Bar of California*, 496 U.S. 1 (1990) and its progeny. A handbook of guidelines and resources shall be provided for use by the sections. If the President determines that participation by section chairs and treasurers shall be mandatory, at least 90 days' notice shall be provided to participants.

5.02 Section Representatives to the Board Committee

5.02.01 Eligibility. To be eligible to serve as a member of the Section Representatives to the Board Committee, a person must:

(A) be an active member in good standing of the State Bar;

(B) be a member of at least one section of the State Bar; and

(C) not otherwise be serving as a member of, or liaison to the Board.

5.02.02 Composition. The Section Representatives to the Board Committee consists of six members, one of whom represents sections with 500 members or less, two of whom represent sections with 501 to 2,000 members, and three of whom represent sections with over 2,000 members. A committee member must belong to at least one section of the size that he or she represents. No committee member shall be disqualified simply because of a change in section size. Each committee member should become familiar with issues of concern to the sections that he or she represents.

5.02.03 Elections. The members of the Section Representatives to the Board Committee shall be elected for their respective terms by the Council of Chairs. The chair and vice-chair of the Council of Chairs may establish reasonable procedures for these elections. The procedures must afford an opportunity for each candidate to communicate with the Council of Chairs, and an option for each section to vote through its designated representative.

5.02.04 Vacancies. In the event a member of the Section Representatives to the Board Committee resigns, becomes unable to serve, or becomes unqualified to serve as a member of the committee, his or her position shall be deemed vacant and a replacement shall be elected and appointed pursuant to the same process provided for in this Section 5.02. The replacement member shall serve the balance of the term of the particular position vacated.

5.02.05 Terms. Each member of the Section Representatives to the Board Committee shall serve one three-year term as a member of the committee, irrespective of the size of sections he or she represents, and shall not be eligible for any subsequent reappointment to the committee; provided, however, that in the event a member has been appointed to fill a vacancy and has served less than one-half of the term of his or her predecessor, such member may be, but is not entitled to be, reappointed for a full three-year term.

5.02.06 Purpose. The purposes of the Section Representatives to the Board Committee are to:

(A) foster the relationship between the State Bar and its sections by:

(1) improving communications between the sections and the Board;

(2) communicating information from the Board to the sections and the Council of Chairs ;

(3) studying issues pertaining to relations between the State Bar and its sections as well as between or among the various sections;

(4) advising the sections on State Bar matters; and

(5) monitoring sections for compliance with all provisions governing their operations.

(B) represent the sections in the meetings of the Board and its committees by:

(1) informing and advising the Board on matters of concern to the sections or any particular section; and

(2) advocating to the Board on behalf of the sections or any particular section.

5.02.07 Appointment. The President shall appoint as members of the Section Representatives to the Board Committee the persons recommended by the Council of Chairs.

5.02.08 Expense Reimbursement. Notwithstanding other provisions in this Policy Manual, expenses incurred by the members of the Section Representatives to the Board Committee in the conduct of their official business shall not be reimbursed by the State Bar. Reasonable expenses in accordance with State Bar policies will be reimbursed by the sections, with sixty per cent of the expenses to be reimbursed in equal shares by sections with more than 2,000 members, and forty per cent to be reimbursed in equal shares by sections having 501 to 2,000 members. The overall annual requests for reimbursement for committee expenses may not exceed $12,000.

5.03 Council of Chairs

The Council of Chairs, as appointed by the President, shall consist of the chairs of all sections of the State Bar, the members of the Section Representatives to the Board Committee, and a chair and vice-chair, also appointed by the President. The chair or vice-chair (whoever is presiding) may only vote to break a tie. The members of the Section Representatives to the Board Committee are non-voting members. The Council of Chairs shall meet regularly at least two times annually, in addition to the orientation described in Subsection 5.01.12 of this Policy Manual, and may meet specially at such times and places as the President, or the chairs of the Council of Chairs and the Section Representatives to the Board Committee, in consultation with the President, shall determine. The chair of each section shall attend each meeting of the Council of Chairs, or shall send a designated representative. The Council of Chairs will discuss at its meetings items placed on the agenda by the President, the chair of the Council of Chairs, and/or the chair of the Section Representatives to the Board Committee, together with all other items of business that otherwise come before the Council of Chairs.

5.04 Divisions

5.04.01 General

(A) The Board may establish and maintain divisions of lay persons who study law or who are associated in work with lawyers for the purpose of promoting the purposes and objectives of the State Bar. In establishing such divisions, the Board may seek recommendations from such committees, sections, Board committees, or other entities as it deems advisable. The contemplated jurisdiction of a new division shall not be in substantial conflict, nor substantially overlap, with the jurisdiction of any other section or division.

(B) Membership in a division is not, and may not be represented as, membership in the State Bar.

5.04.02 Bylaws. Division bylaws, and any amendments thereto, must be approved by the Board. The bylaws must include the following:

(A) a provision that the division and its members shall not engage in any lobbying or advocacy activities in the name of the division or of the State Bar without the prior approval of the Board.

(B) a provision that no amendments to the division's bylaws will be effective unless and until approved by the Board.

5.04.03 Name Change. All division name changes are subject to Board approval. The Board may approve a change in the name of a division, provided the new name does not substantially conflict with the name of any other existing division, nor indicate an expansion of the division's purview that would conflict with or overlap the purview of any other existing division. In determining whether a name change is appropriate, the Board may seek the recommendations of other divisions, the Executive Committee, Board committees, and standing or special committees, including the Section Representatives to the Board Committee.

5.04.04 Confidentiality of Member Information. All information concerning any division member that is deemed confidential by state or federal law, including Tex. Govt. Code Ch. 552 and Tex. Occ. Code Ch. 59, including email addresses, may be used only for official division business and may not be disclosed to the public. Divisions must take reasonable, necessary precautions to protect the confidentiality of such information.

5.04.05 Public Statements and Advocacy Activities

(A) *Representation of State Bar.* No division, division board, or division member shall purport to represent the State Bar before any legislative body, administrative agency, in any court, or before any other tribunal unless expressly authorized to do so in accordance with Board policies and procedures.

(B) *Speaking or Writing.* No division, division board, or division member shall at any time, expressly or impliedly, purport to act, speak, or write on any subject on behalf of the State Bar, unless expressly authorized to do so in accordance with Board policies and procedures.

(C) *State Bar Seal and Letterhead.* No division, division board, or division member shall at any time use the State Bar seal or letterhead for any purpose other than for the division's official, properly authorized business.

(D) *Advocacy.* No positions may be taken by a division, division board, or division member in the name of the division that advocates or advances a political or social policy position.

(E) *Compliance.* No division, division board, or division member shall intentionally act in violation of state or federal law, including *Keller v. State Bar of California,* 495 U.S.1 (1990) and its progeny.

5.04.06 Contracts. All contracts for goods or services for a division must be reviewed by State Bar Legal Counsel and executed by a duly authorized signatory of the State Bar.

5.04.07 Continuance. The Board may periodically review a division's fiduciary management of dues income, compliance with this Policy Manual, and membership

services to determine whether continuation of the division is warranted. In connection with such a review, the Board may seek the recommendations of the Executive Committee or a Board Committee, including the Section Representatives to the Board Committee.

5.04.08 Dissolution and Merger

(A) The Board may dissolve a division for good cause, including, but not limited to:

(1) intentional violation of state or federal law, court rule, its bylaws, or State Bar policy, including, but not limited to, those governing public statements, finances, and legislative policy;

(2) substantially declining division membership; or

(3) failure to provide services to its members in accordance with its purposes.

(B) The Board may merge two or more divisions:

(1) if the Board determines that the purposes and jurisdictions of the applicable divisions substantially overlap and that more than one division in that area is not needed; or

(2) if the divisions involved so request, provided that the membership of each of the divisions has approved the merger in accordance with the divisions' bylaws.

Part VI. DISCIPLINARY SYSTEM

6.01 Policy, Purpose and Application

6.01.01 Purposes. The purposes of the State Bar grievance system are as follows:

(A) to discipline attorneys who have committed professional misconduct as defined by the Texas Disciplinary Rules of Professional Conduct and the Texas Rules of Disciplinary Procedure;

(B) to clear the name of an attorney who has not committed professional misconduct; and

(C) to protect the public.

6.01.02 Application. Insofar as any of the provisions of this Part VI. of the Policy Manual may conflict with the Texas Disciplinary Rules of Professional Conduct or the Texas Disciplinary Rules of Procedure, such Rules shall apply. Terms used herein shall have the same meaning ascribed to them as in the Texas Rules of Disciplinary Procedure, unless a different meaning is apparent from the context.

6.02 Commission for Lawyer Discipline Liaisons

The chair of the Discipline/Client Attorney Assistance Committee shall serve as the liaison to the Commission on behalf of the Board.

6.03 Chief Disciplinary Counsel

6.03.01 Selection and Compensation. The Commission shall select an attorney to act as Chief Disciplinary Counsel. Subject to §9.01 of this Policy Manual, the compensation of the Chief Disciplinary counsel shall be authorized and approved by the Commission.

6.03.02 Administration of Disciplinary System. The Office of the Chief Disciplinary Counsel shall administer the attorney discipline and disability system in accordance with the Texas Rules of Disciplinary Procedure and as directed by the Commission.

6.03.03 Filing of Complaints. Allegations of professional misconduct against any member of the State Bar shall be filed with the Office of the Chief Disciplinary Counsel.

6.03.04 Ethics Opinions. The Chief Disciplinary Counsel shall maintain as a service to the members of the Bar, a toll-free Attorney Ethics Helpline, operated from 8:00 a.m. to 5:00 p.m., Monday through Friday. The Ethics Helpline is designed to assist members of the State Bar who have questions about their ethical obligations to clients, courts, and the public under the Texas Disciplinary Rules of Professional Conduct. The advice shall be given orally to members of the State Bar, but such advice shall not be binding on grievance committees or the State Bar. No advice may be given to a member of the State Bar if the advice relates to a matter that is pending in the disciplinary system. No opinions on ethical or unauthorized practice of law matters shall be given to non-members of the State Bar of Texas.

6.03.05 Grievance Committee Training. The Office of Chief Disciplinary Counsel shall conduct annual training sessions for all grievance committee members. The training shall include, among other topics, structure of the attorney discipline system, grievance procedure, and committee organization, duties and authority with appropriate references to the Texas Disciplinary Rules of Professional Conduct and the Texas Rules of Disciplinary Procedure. In addition, members shall be provided with a procedural guide on conducting evidentiary hearings.

6.03.06 Grievances Against Attorneys in the Chief Disciplinary Counsel Staff. If a grievance is filed against any attorney member of the staff of the Chief Disciplinary Counsel, the following procedure shall apply:

(A) The classification of the grievance will be determined in the same manner as any other grievance.

(B) If the grievance is classified as a complaint, or the Board of Disciplinary Appeals reverses the classification of the grievance as an inquiry, the matter will be sent to a regional office outside the region where the attorney practices for investigation and determination of Just Cause.

(C) If no Just Cause is determined, a transfer may be requested from the Board of Disciplinary Appeals for consideration of the matter by a summary disposition panel outside the region where the attorney practices.

(D) If Just Cause is determined, and the attorney does not elect district court, a transfer may be requested from the Board of Disciplinary Appeals for the case to be filed with an Evidentiary Panel outside the region where the attorney practices. The Commission shall appoint a Special Assistant Disciplinary Counsel to handle the case.

6.03.07 Lawsuits Related to Disciplinary Matters. Notwithstanding any other provisions in the Policy Manual, the Chief Disciplinary Counsel shall be counsel for the State Bar and such related entities and individuals in lawsuits arising out of or pertaining to a disciplinary matter. In such cases, the Chief Disciplinary Counsel shall keep the Executive Director fully informed of all matters relating to such lawsuits, and shall seek the advice of the Executive Director relating to the retention of outside counsel.

6.04 Grievance Committees

6.04.01 General. All grievance committees shall be duly organized and shall carry out the duties of office in accordance with the Texas Rules of Disciplinary Procedure and this Policy Manual.

6.04.02 Nomination and Appointment. Each Elected Director of the State Bar shall nominate, and the President of the State Bar shall appoint, the members of the grievance committees within the District that coincides with the Director's district. The Elected Director shall certify that he or she has explained the importance of the position to each nominee, and that the nominee has agreed in writing to participate actively in the work of the committee and fulfill the duties of such office. If an Elected Director fails to make such nominations timely, the President shall proceed to make the required appointments without such recommendations. The appointment of grievance committee members does not require ratification by the Board.

(A) *Diversity.* It is in the best interest of the public and the lawyers of Texas for the racial, ethnic, and gender makeup of the district grievance committees to fairly represent as closely as reasonably practicable, the racial, ethnic, and gender makeup of the districts they serve. Directors are encouraged to make their district grievance committee appointments so as to continue the fulfillment of this goal and to ensure that lawyer members reflect the various sizes of practice groups.

(B) *Lawyer Members.* In making recommendations for appointments of lawyer members to grievance committees, each Director shall recommend for appointment only those persons who are licensed to practice law in the State of Texas and members in good standing of the State Bar and who have not been convicted of a misdemeanor involving theft, a felony, or a crime involving moral turpitude. No person may serve as a grievance committee member while he or she is a member of the Board or an active judge subject to Canon 4H of the Code of Judicial Conduct.

(C) *Public Members.* In making recommendations for appointments of public members to grievance committees each Director shall recommend for appointment only those persons representative of the general public who are not licensed to practice law and who do not have other than as consumers a financial interest in the practice of law, and who have not been convicted of a misdemeanor involving theft, a felony, or a crime involving moral turpitude. No person may serve as a grievance committee member while he or she is a member of the Board.

(D) *Financial Interest.* For purposes of disqualification of a person for recommendation for appointment as a public member to a grievance committee, the phrase "financial interest in the practice of law" shall include:

(1) the spouse of a lawyer;

(2) any employee of a lawyer, private law firm, or professional legal corporation;

(3) any person who acquires the majority of his or her annual gross income from or through a lawyer, law firm, professional legal corporation by way of professional or consultant fees; and

(4) the spouse of any person listed in (2) and (3) above.

(E) *Background Check.* Each person seeking to serve as a grievance committee member shall, prior to nomination, submit to the Chief Disciplinary Counsel a written consent to the performance of a criminal background check as a prerequisite to nomination.

6.04.03 Defense of Grievance Committee Members in Lawsuits Related to Their Service. The State Bar shall defend, at the expense of the State Bar, the present and former members of its district grievance committees in civil litigation which has been initiated as the result of the member's committee service. The State Bar, by undertaking the defense of a committee member, cannot and does not assume any obligation to satisfy a judgment

rendered against the member or to contribute money toward any settlement agreed upon by the member or any of the parties to the lawsuit. In defending grievance committee members in lawsuits related to their service, the following procedures apply:

(A) *Grievance Committee Member to Promptly Notify State Bar.* Promptly upon receipt of a citation and petition that alleges conduct on the part of a present or former district grievance committee member as the basis for a claim, the member shall forward a copy of the petition and citation to the Chief Disciplinary Counsel's office in Austin, Texas, together with a request for representation in the matter in question.

(B) *Review.* Upon receipt of a copy of a request for representation, the Chief Disciplinary Counsel shall:

(1) send a copy of the request to the Director or Directors in whose district the grievance committee member serves or served, the Chair of the Commission, the President, the Executive Director, the Chair, and the Chair of the Discipline/Client Attorney Assistance Program Committee; and

(2) review the allegations made therein and both the Chief Disciplinary Counsel and the Executive Director shall make an initial determination as to whether or not the allegations pertaining to the committee member appear to be within the course and scope of the committee member's duties.

(C) *Determination*. If the Chief Disciplinary Counsel and the Executive Director conclude that the allegations relate to conduct solely within the course and scope of the member's duties, the Chief Disciplinary Counsel shall offer to defend such allegations, and shall notify the member of this determination.

(D) *Notification of Partial Inability to Defend.* If the Chief Disciplinary Counsel and the Executive Director conclude that some, but not all, of the allegations made in the petition relate to conduct within the course and scope of the member's duties, the Chief Disciplinary Counsel shall offer to defend such allegations and shall notify the member of the Bar's inability to defend the case as a whole.

(E) *Notification of Total Inability to Defend.* If the Chief Disciplinary Counsel and the Executive Director conclude that none of the allegations relate to conduct within the course and scope of the member's duties, the Chief Disciplinary Counsel shall promptly notify the committee member that the State Bar is prohibited from defending any of the allegations.

6.04.04 Decline of Defense by Member. If the Chief Disciplinary Counsel offers a defense, and the committee member declines such representation, the committee member shall be solely responsible for securing legal representation in the matter and the cost thereof.

6.04.05 Notification to Member. In the notification to the member, the Chief Disciplinary Counsel shall also advise the member of the importance of notifying his or her insurance carrier(s) of the claims being made, and of the need to seek legal representation with respect to those allegations which the State Bar is prohibited from defending.

6.04.06 Notification of Bar Leadership. The Chief Disciplinary Counsel shall also send a copy of the determination to the persons listed in Subsection 6.04.03(B) above.

6.04.07 Review of Determination. If the Director or Directors in whose district the grievance committee member serves or served, the President, the Chair, or the chair of the Discipline/Client Attorney Assistance Program Committee disagrees with the determination made by the Chief Disciplinary Counsel and the Executive Director as to the scope of the defense offered, then any of them may request a review thereof by the Executive Committee or by the Board. The Executive Committee or the Board may, after consultation with the Executive Director and Chief Disciplinary Counsel, affirm, reverse or revise such determination.

6.04.08 New Allegations in the Course of Lawsuit. When allegations in a lawsuit against a committee member are changed during the course of litigation, the Chief Disciplinary Counsel and the Executive Director shall follow the same procedure for review, determination and notification as set out above, and the decision shall be reviewable by the Executive Committee or Board in the same manner as set forth above.

6.04.09 Authority of Chair of Committees and Panels. The chair of a grievance committee, the chair of a panel thereof, or anyone designated to act as a panel chair in the panel chair's absence by the chair of the committee or a majority of the panel members in attendance at the hearing, may conduct the evidentiary panel proceeding or summary disposition docket. In an evidentiary panel proceeding, the presiding panel chair shall have authority, consistent with the Texas Rules of Disciplinary Procedure, to:

(A) administer oaths and affirmations;

(B) make rulings upon motions and other requests;

(C) rule upon offers of proof, receive relevant evidence, and examine witnesses;

(D) regulate the course of the hearing and ensure that all

members have taken the required oath;

(E) hold or provide for the holding of conferences to settle or simplify the issues;

(F) receive and consider oral or written arguments on facts or law;

(G) adopt procedures consistent with the Texas Rules of Disciplinary Procedure and modify them from time to time as occasion requires for the orderly disposition of proceedings; and

(H) perform acts and take measures, consistent with the Texas Rules of Disciplinary Procedure, as necessary to promote the efficient and timely conduct of the hearing.

6.04.10 Restrictions. Grievance committee members shall not:

(A) give opinions on ethical or unauthorized practice of law matters while serving on the committee, other than through the member's role on the committee;

(B) represent any Complainant or Respondent in any disciplinary matter pending or filed during the member's term of service on the grievance committee;

(C) testify in any capacity in connection with any disciplinary matter pending or filed during the member's term of service on the grievance committee; or

(D) counsel any Complainant or Respondent or any attorney representing any Complainant or Respondent in any disciplinary matter pending or filed during the member's term of service on the grievance committee.

6.04.11 Removal of Grievance Committee Members. The President may remove, for cause, grievance committee members, with the concurrence of the Director or the majority of the Directors in whose District the grievance committee member serves. The President shall remove from a grievance committee any member who during his or her term of service has been convicted of a misdemeanor involving theft, a felony, or a crime involving moral turpitude. The Chief Disciplinary Counsel shall keep the Commission, the President, and the appropriate Director(s) informed as to any problems with either attendance or performance of grievance committee members.

"Cause" for the purpose of recommending the removal of a grievance committee member shall include:

(A) when a member has two absences from meetings of the grievance committee or panel thereof within any twelve-month period;

(B) when a member of a committee neglects or breaches the duties for that office;

(C) when a sanction has been imposed on a lawyer committee member during the term of service;

(D) when it is learned that a member made a material misrepresentation regarding his or her eligibility to serve;

(E) when it is learned that a member is or has become ineligible to serve;

(F) when a member is charged with or indicted for a misdemeanor involving theft, a felony, or a crime involving moral turpitude; or

(G) when a member has become incapacitated or is unable to fulfill the duties of committee membership.

6.04.12 Grievances Against Grievance Committee Members. If a grievance is filed against any grievance committee member, the following procedure shall apply:

(A) The classification of the grievance will be determined in the same manner as any other grievance. If the grievance is classified as an inquiry and dismissed, the committee member will continue to serve.

(B) If the grievance is classified as a complaint, or the Board of Disciplinary Appeals reverses the classification of the grievance as an inquiry, the matter will be sent to a regional office outside the region where the committee member serves for investigation and determination of Just Cause. The committee member shall be eligible to continue to serve during the investigation of the grievance.

(C) If no Just Cause is determined, a transfer may be requested from the Board of Disciplinary Appeals for consideration of the matter by a summary disposition panel outside the region where the committee member serves.

(D) If Just Cause is determined, and the committee member does not elect district court, a transfer may be requested from the Board of Disciplinary Appeals for the case to be filed with an Evidentiary Panel outside the region where the committee member serves. The committee member shall be immediately placed on leave from further service until resolution of the complaint.

(E) If the complaint is dismissed at any stage, the member will automatically resume committee service for the remainder of the term.

(F) If any sanction or a referral to the Grievance Referral Program is agreed to or imposed, then the member may be removed for cause.

6.04.13 Reporting Misconduct. Each grievance committee member has the duty to forward immediately to the Chief Disciplinary Counsel any information concerning an attorney having been charged with, indicted for, or convicted of barratry, any felony involving moral turpitude, any misdemeanor involving theft, embezzlement, or fraudulent misappropriation of money or other property, or otherwise subject to the compulsory discipline procedures of the Texas Rules of Disciplinary Procedure.

6.05 Disqualifications

6.05.01 Disqualification of Officer or Board Member as Counsel. No Officer or member of the Board shall counsel or represent any Complainant or Respondent in any disciplinary proceeding or action, pending or filed during the term of the affected person's service as an Officer or member of the Board.

6.05.02 Disqualification of Committee Members. A grievance committee member is disqualified to sit as a panel member for either a summary disposition hearing or an evidentiary hearing if a district judge would, under similar circumstances, be disqualified. Further, a grievance committee member may be recused if the Respondent or Complainant is represented by a member, associate, employee, or shareholder of the law firm or professional corporation of the Director who nominated the grievance committee member.

6.06 Notice of Reinstatement Hearings

Texas Rules of Disciplinary Procedure §11.04 requires that notice of a petition for reinstatement be published in the *Texas Bar Journal.* The notice is a condition precedent to the hearing of an application for reinstatement.

(A) The notice shall be published not less than thirty days before the reinstatement hearing.

(B) The responsibility for requesting the insertion of such notice shall be upon the applicant for reinstatement.

(C) The notice shall be published in the disciplinary actions section of the *Texas Bar Journal* at the same rate as classified ads and the cost thereof paid by the applicant for reinstatement. The notice shall contain the name and address of the applicant, the date and place of resignation or disbarment, and the county, court, and cause number of the application.

6.07 Compromise of Claims Arising from Disciplinary Judgments

Notwithstanding any other provision in this Policy Manual, the Executive Director, upon the advice of the Chief Disciplinary Counsel and other State Bar legal counsel, shall have full authority to compromise claims that arise in connection with the collection of awards of attorneys' fees, court costs and litigation expenses due to the State Bar in lawyer disciplinary judgments. The Executive Director shall fully and timely report such compromise to the Board and the Commission.

6.08 Fee Arbitration Committees

The State Bar encourages the formation of fee arbitration committees by every local bar association. Should a local bar fail to form such a committee, then the Director for the district in which that local bar is located may appoint one or more fee arbitration committees for the district.

6.09 Grievance Referral Program

The Grievance Referral Program is established as a diversion program designed to address professionalism issues in minor misconduct cases. The Office of Chief Disciplinary Counsel shall maintain the Grievance Referral Program as a component of the attorney discipline system.

6.09.01 Eligibility

The following criteria are to be considered for participation in the program:

(A) Respondent has not been disciplined within the prior 3 years.

(B) Respondent has not been disciplined for similar conduct within the prior 5 years.

(C) Misconduct does not involve misappropriation of funds or breach of fiduciary duties.

(D) Misconduct does not involve dishonesty, fraud, or misrepresentation.

(E) Misconduct did not result in substantial harm or prejudice to client or complainant.

(F) Respondent maintained cooperative attitude toward the proceedings.

(G) Participation is likely to benefit respondent and further the goal of protection of the public.

(H) Misconduct does not constitute a crime which would subject respondent to compulsory discipline under Part VIII of the Texas Rules of Disciplinary Procedure.

6.09.02 Procedure

(A) The Commission may refer an eligible Respondent to the program in any disciplinary matter that has reached the Just Cause stage of the process.

(B) The Respondent must agree to meet with the program administrator for an assessment of the professionalism issues that contributed to the misconduct.

(C) The Respondent must agree in writing to waive any applicable time limits and to complete specific terms and conditions, including restitution if appropriate, by a date certain and to pay for any costs associated with the terms and conditions.

(D) If the Respondent agrees to participate and completes the terms in a timely manner, the underlying grievance will be dismissed.

(E) If the Respondent does not fully complete the terms of the agreement in a timely manner, the underlying grievance will continue in the ordinary disciplinary process.

(F) Generally, a Respondent is eligible to participate in the program one time.

6.09.03 Reporting. The program administrator will provide periodic reports to the Commission on the progress of the program, including the number of cases resolved.

Part VII. PROGRAMS, PROJECTS, SERVICES AND FUNCTIONS

7.01 Delivery of Legal Services

7.01.01 Citizens' Legal Education. It shall be a policy of the State Bar to establish a special committee that shall concern itself with developing, implementing, and augmenting programs for the education of the public in regard to each citizen's legal rights and responsibilities and the roles of the legal profession and the judiciary in protecting those rights and enforcing those responsibilities.

7.01.02 Lawyer Referral and Information Services. There shall be a standing committee on the Texas Lawyer Referral and Information Services, which will also assist and coordinate the work of the local lawyer referral services.

(A) Lawyer referral services are designed to meet the needs of the public for representation by competent lawyers, as well as to provide public education about the law, the legal profession, and lawyers.

(B) The State Bar is determined that the people of Texas be served by lawyer referral services that are operated in accordance with the Occupation Code Title 5, Subtitle B, Chapter 952 and that serve the public interest effectively by improving performance and emphasizing the obligations to function as a public service of the bar.

(C) Information made available to the public about local lawyer referral services by the Texas Lawyer Referral and Information Services and by the State Bar shall be limited to those lawyer referral services that:

(1) are operated, sponsored, or approved by a bar association representative of the general bar of the geographical area in which the association exists;

(2) maintain accurate records of calls received from the public, calls referred to lawyers, referrals actually completed, and responses to the periodic survey and requests for data from the State Bar; and

(3) are staffed by employees of the local bar association. There shall be no referrals by the Texas Lawyer Referral and Information Services to, or publicity by the State Bar about, a lawyer referral service staffed by employees of a commercial telephone answering service or other private business firm.

(D) Referral from the large metropolitan areas where local bar sponsored lawyer referral services exist shall be referred by the Texas Lawyer Referral and Information Services to or through those services exclusively. All other referral requests not served by the local bar referral service shall be referred to those lawyers participating in the Texas Lawyer Referral and Information Services, which participating lawyers practice in geographical areas of Texas not otherwise served by a local bar referral service program.

7.01.03 Disaster Response Plan. In an attempt to prevent solicitation of disaster victims by unethical attorneys, the Board adopted a disaster-response plan during its December 2-3, 1988, meeting.

7.01.04 Disaster-Response Team.

(A) The disaster-response team should be made up of the following:

(1) The President or, if the President is unavailable, the President-elect;

(2) Chair of the Commission for Lawyer Discipline, or if the chair is unavailable, the vice chair;

(3) Executive Director or authorized designee;

(4) The Chief Disciplinary Counsel or authorized designee;

(5) The public information director or authorized designee; and

(6) The TYLA president, or authorized designee.

(B) The Executive Director or authorized designee shall

be the coordinator of the disaster-response team. In the absence or unavailability of the President or President-elect to make the decision regarding implementation of the disaster-response plan for a particular event, the coordinator shall then and only then be authorized to make the decision to implement the disaster-response plan.

(C) The Chief Disciplinary Counsel is responsible for the investigation of all complaints and will report as necessary to the coordinator the general nature of the complaints and their frequency.

(D) It shall be the responsibility of the coordinator to conduct annual educational programs about the disaster-response plan.

7.01.05 General Policy and Objectives.

(A) *Rapid Response.*

(1) It is essential to establish an awareness and sensitivity to the disaster situations by all State Bar employees, volunteers and Board.

(2) The disaster-response plan will be disseminated through the *Texas Bar Journal* and continuing legal education programs.

(3) The disaster-response team shall be properly trained to respond to initial inquiries and appear at the site.

(4) The disaster-response team will provide victims and/or their families with written materials when requested.

(B) *Effective Mobilization of Resources.*

(1) Individual assignments of responsibilities shall be made to members of the team.

(2) The disaster-response team will establish immediate telephone contact with involved parties.

(3) Travel arrangements will be made as quickly as possible.

(4) The coordinator shall confirm the individuals who will make up the disaster-response team. The coordinator will add to the team a person who is bilingual if the disaster occurs in an area where one is needed.

(C) *Publicity*.

(1) It is important to focus on the fact that disaster response is a public relations effort.

(2) An appropriate press release shall be prepared and disseminated.

(3) The disaster-response team shall ensure approval and dissemination of press releases.

(4) The public information director will be used for press contacts.

(5) It is important to ensure that the press release indicates that the State Bar is a resource designed to assist victims *if requested*.

(D) *On-Site Representation.*

(1) It is crucial for the disaster-response team to arrive at the site of the disaster within three hours.

(2) If the press, insurance adjusters, and plaintiffs' lawyers can get to the site of the disaster quickly, then the State Bar should be able to get there.

(3) The President or President-elect will conduct press interviews.

(4) The availability of State Bar at the site of the disaster should be made known to victims.

(5) The disaster-response team shall establish a liaison with Red Cross, Salvation Army, and victims' organizations to provide assistance to victims and furnish written materials to these organizations.

(6) It is crucial that the disaster-response team not become identified with either side of the potential controversy.

(7) All members of the disaster-response team must avoid making comments on the merits of claims that may arise from the disaster.

(E) *Dissemination of Information to Affected Individuals.*

(1) The team shall emphasize in all public statements that the State Bar's major and only legitimate concerns are for those persons affected by the disaster and the public interest.

(2) The State Bar's role is limited to monitoring compliance with its disciplinary rules and requesting reports of any violation needing immediate investigation.

7.01.06 Report on Results.

(A) As soon as possible, the coordinator will convene a meeting to be attended by all groups involved in the disaster to obtain input about the effectiveness of the plan in that particular disaster.

(B) The coordinator shall prepare a written report of all that occurred at the site of the disaster.

(C) The written report shall be submitted to the Board as well as to other involved organizations.

7.02 Access to Justice Commission

7.02.01 Support. The State Bar, in furtherance of its purpose to ensure access to justice for all Texans, supports the Texas Access to Justice Commission, created by the Supreme Court of Texas by Order dated April 26, 2001.

7.02.02 State Bar Appointments to the TATJC. The President, subject to the approval of the Board, shall appoint seven TATJC members in accordance with the following:

(A) Two Directors shall be appointed, without regard to whether those members are licensed attorneys.

(B) One TATJC member shall be appointed from the general membership of the State Bar.

(C) One TATJC member shall be appointed from the Texas Bar Foundation Board of Directors.

(D) One at-large TATJC member shall be appointed on the basis of demonstrated commitment, and familiarity with, access to justice issues.

(E) Two TATJC members shall be appointed who are representatives (staff, board or volunteers) of state or federally-funded legal services programs (reflecting diversity among LSC and non-LSC funded programs, staff and pro-bono based programs, and general civil legal services and specific services or client-based programs).

(F) In filling the appointments in all of the foregoing categories, the President shall appoint, after consultation with the president of the TYLA, at least one TATJC member of the TYLA.

7.02.03 Term and Vacancies. In accordance with TATJC rules, each TATJC member shall be appointed for a term of three years. Any vacancies of those positions appointed pursuant to the preceding Subsection occurring during the term of appointment shall be filled by the President, subject to the approval of the Board. Any such replacement member shall serve for the duration of the term of the vacancy.

7.03 Professional Development

7.03.01 General Policy. To the end that the public may enjoy the highest quality of legal services, the State Bar shall support educational programs for, and the dissemination of materials to, lawyers for their continuing education.

7.03.02 License For Electronic Products; Permission To Reprint.

(A) *License for Electronic Products.* The Executive Director or staff designee may grant a license for the use in electronic products of continuing legal education materials on which the State Bar holds copyright for the purposes and under the conditions approved from time to time by the Professional Development Subcommittee of the Board.

(B) *Permission to Reprint.* The Executive Director or staff designee may grant permission to reprint or use specified portions of continuing legal education materials on which the State Bar holds copyright if, in the judgment of the Executive Director, the dominant purpose of the reprinting or use is educational and the distribution of the material or its proposed use will not constitute adverse competition with programs or publications of the State Bar and will preserve the educational reputation of those programs and publications.

7.03.03 Videotape Programs. Videotape programs shall be encouraged as a means to facilitate continuing legal education.

7.03.04 Publication of Books. The publication of all books and similar material by or under the auspices of the State Bar for use by attorneys is to be approved by the Professional Development (Education) Subcommittee of the Board on the recommendation of the appropriate substantive committee or the Continuing Legal Education Committee.

7.03.05 Endorsements. At the request of the publisher or sponsor thereof, a book and other publication not intended for use by attorneys but dealing with any aspect of the legal profession may be approved or endorsed by the State Bar through its Board, either with or without restrictions, disclaimers, or limitations about the substance of and forms contained in the publication.

7.03.06 Judges. Full-time Texas appellate court judges, district court judges, county court at law judges, municipal court judges, justices of the peace, magistrates, masters, referees, administrative law judges, hearings examiners, Texas area Federal judges, or attorney court staff may at no charge attend TexasBarCLE courses in subject areas directly related to the jurisdiction of their tribunals. This non-transferable privilege extends to judges retired under the judicial retirement system; it does not extend to receivers, trustees, non-attorney court staff, or to persons serving part-time in any judicial or administrative capacity. Exercise of this privilege is subject to available space after admission of all paid registrants. Only those who actually

attend a course under this policy may pick up free course materials; no one else may do it for them in their absence.

7.03.07 Complimentary Attendance.

(A) *State Bar and TYLA Presidents.* In recognition of their service to the State Bar and TYLA, all former Presidents are extended lifetime complimentary attendance and access privileges to all TexasBarCLE courses, webcasts, online classes and online CLE articles.

(B) *Law Students, Law Faculty and Bar Examinees.* Students, faculty and staff members of a Texas ABA-accredited law school and examinees awaiting their Texas bar exam results are extended complimentary access privileges to TexasBarCLE webcasts, online classes and online CLE articles.

(C) *Speakers and Authors.* Speakers and authors for TexasBarCLE programs and authors for TexasBarBooks publications are extended complimentary access privileges to TexasBarCLE webcasts, online classes and online articles relevant to their service as a speaker or author for the one-year period following the beginning of their service on the project or until the project has been completed, whichever is later.

(D) *Other Groups.* The following groups are extended complimentary attendance and access privileges to all TexasBarCLE courses, webcasts, online classes and online CLE articles:

(1) Officers or Directors of the State Bar or of TYLA;

(2) Members of the State Bar CLE Committee;

(3) Members of the Commission for Lawyer Discipline;

(4) Members of the Board of Disciplinary Appeals;

(5) Judges and attorney court staff as defined in section 7.03.06; and

(6) Staff of the State Bar.

7.03.08 Reimbursements.

(A) *General Policy.* The State Bar will reimburse actual out-of-pocket expenses incurred by attorneys and other professionals in planning, appearing as a speaker on, and/or preparing written materials for a State Bar continuing legal education program or product, such expenses to be reasonable according to the usual cost of products or services for which reimbursement is requested as determined by similar reimbursement requests of other participants, by practices applicable to other public agencies and institutions of the State of Texas, by other readily available reference information, and by State Bar staff experience.

(B) R*easonableness Standard.* For purposes of determining allowable expenses, a reasonableness standard will be applied, taking into account, location, and other circumstances; e.g., expenses are usually higher at a big city hotel. If anyone affected by this policy anticipates a large or unusual expense, such person must notify the appropriate State Bar staff person at TexasBarCLE before incurring such an expense. Sometimes, there may be less expensive ways to meet the need. Discretionary expenses such as entertainment or bar drinks cannot be reimbursed.

(C) *Speakers.* Course registrations, written materials, and lunches organized by the State Bar shall be provided to all speakers at no cost.

(1) *Lodging.* A speaker will be reimbursed only for one night's lodging for each day that he or she appears on the program unless:

(a) that speaker's travel schedule requires an extra night; or

(b) there are special circumstances that make it necessary for that speaker to stay longer and same are approved in advance by the appropriate State Bar staff.

If there is a host hotel for the event, the speaker will be reimbursed for the group rate negotiated with that hotel.

A hotel room should be booked before the published cutoff date for the group rate (usually four weeks before the event.) Speakers must avoid booking hotel rooms at off-the-street rates.

Lodging will not be reimbursed for any speaker residing in or practicing in a county in which the course is presented. This restriction does not apply to course directors.

(2) *Complimentary Facilities.* If the State Bar receives free facilities, rooms or other services from a hotel or restaurant in connection with the holding of a CLE event, those benefits shall be used directly to reduce other expenses of conducting the seminar. Only State Bar staff may assign these facilities or benefits to speakers in lieu of paying directly for these benefits

(3) *Meals.* Maximum $40 meal allowance per day, subject to the reasonableness standard stated in section 7.03.08(A) and (B).

(4) T*ransportation*. Speakers will be reimbursed transportation expenses at the applicable mileage reimbursement for travel in a privately owned vehicle, as

provided in the travel provisions of the current General Appropriations Act, airline travel at coach rates, parking fees, taxi and airport bus charges, and if most economical, rental car. The use of taxis and airport buses is encouraged not only because they are less expensive but because it relieves the speaker of having to find the destination.

(5) *Honoraria.* It is the policy of the State Bar not to offer honoraria to speakers who are Texas attorneys. In extraordinary circumstances, a nominal honorarium not exceeding $1,500 may be offered to Texas attorneys, out-of-state attorneys, or other experts only if approved in advance by the Director of the Professional Development Division. An honorarium exceeding $1,500 must be approved in advance by the Executive Director.

(6) *Expenses of Speaker Guests.* Expenses for speaker guests shall be paid by the speaker.

(7) *Extras.* Speakers who bring written materials to the course for distribution, without prior approval of the State Bar staff attorney assigned to the course, will only be reimbursed at the contract rate currently paid by the State Bar for duplication services.

(8) *Out-of-State Speakers*. No out-of-state speaker shall be recruited for any course without prior written approval from the director of TexasBarCLE. All other policies regarding reimbursement of reasonable expenses as set out herein shall otherwise be applicable.

(D) *Course Directors.* Course directors shall have all reasonable expenses paid by the State Bar and shall be entitled to attend the course and receive all course materials at no charge. No honorarium shall be presented to course directors.

(E) *Coauthors of Articles.* Coauthors will receive the registration fee and all course materials at no charge. No other reimbursement will be made to coauthors who do not speak.

(F) *Persons Giving Welcoming Remarks.* Any person giving introductory and welcoming remarks will be entitled to course registration and to all course materials at no charge. No reimbursement will be made to these persons.

(G) *Members of Planning Committees.* Those who serve on the planning committee for a seminar are entitled to course registration and all written materials at no charge. Members of the planning committee for a seminar will be reimbursed for transportation, meals and lodging expenses reasonably incurred in attending the planning meeting.

(H) *Variances and Waivers.* Variances from these rules that will result in higher expenses must be requested in writing, signed by the requester and approved by the Executive Director subject to Board Professional Development (Education) Subcommittee review, with all approved variances reported to the Board Professional Development (Education) Subcommittee.

7.03.09 Socials and Receptions. All socials and receptions presented at State Bar CLE programs shall be cash bar events.

7.03.10 Exhibits and Promotions. At State Bar CLE seminars, attorneys or law firms, or anyone acting on their behalf, may not exhibit, offer, or otherwise promote a law firm or legal services. An attorney or law firm may donate the cost of breaks, lunches or socials as a sponsor of the seminar in coordination with the State Bar staff for which the attorney or law firm shall receive a thank you notice in course brochures, on signs posted at the seminar, and in announcements made during the seminar.

7.04 Board of Legal Specialization

Specialization certification shall be under the general jurisdiction of the Texas Board of Legal Specialization. Appointments to the Texas Board of Legal Specialization shall be made by the President with the approval of the Board.

7.05 Texas Bar Journal

7.05.01 General. A monthly journal devoted to legal matters and the affairs of the State Bar and its members may be published and circulated by the State Bar under the direction of the Board of Editors. The *Texas Bar Journal* shall be mailed to each member of the State Bar without expense to the member in addition to annual dues. The *Texas Bar Journal* shall also be mailed to subscribers.

7.05.02 Objective Reporting Policy. To help fully inform the members of the State Bar about the activities of the State Bar and the issues confronting it, the *Texas Bar Journal* will report those matters objectively. Various viewpoints on issues having an impact on the State Bar will be provided in *Texas Bar Journal* news reports about State Bar meetings, conferences, hearings, and matters of interest and/or concern. The opinions of people differing with the State Bar and/or Bar leaders may be included in *Texas Bar Journal* news and/or feature articles.

7.05.03 Texas Bar Journal Staff and the Bar Journal Board of Editors.

(A) The Executive Director is the *ex officio* editor-in-chief of the *Texas Bar Journal* and has the responsibility for the overall coordination of the various activities that go into publishing the *Texas Bar Journal* subject to policy decisions and directives of the Board.

(B) The Board of Editors is appointed by the President of the State Bar and determines editorial and advertising guidelines, including credit policies, for the *Texas Bar Journal.*

(C) The managing editor works with the editor-in-chief and is responsible for carrying out the directions of the editor-in-chief and the Board of Editors, as well as performing the administrative and executive duties required to publish the *Texas Bar Journal*.

(D) The Board of Editors includes three State Bar Directors to ensure that the Board of Editors understand and comply with all policies of the Board of Directors.The President-elect will appoint an incoming Director to the Board of Editors for a three-year term. The Board of Editors reviews all unsolicited legal articles submitted for possible inclusion in the *Texas Bar Journal* and identifies issues and authors of import to the legal profession. The Board of Editors also includes one representative appointed by the TYLA president.

(E) The Board of Editors will include no more than 12 appointees (other than the Board of Directors and the TYLA representatives). Each President-elect will appoint four people to three-year terms.

(F) Members of the Board of Editors should be highly regarded legal professionals representing diverse backgrounds, practice areas and geographic areas.

7.05.04 Texas Bar Journal Advertising.

(A) All advertising will be reviewed by the *Texas Bar Journal* staff under the guidelines set by the Board of Directors and the Board of Editors. All objectionable or questionable advertising will be submitted to the Executive Director for final disposition.

(B) Advertising rates are subject to approval by the Board of Directors as part of the State Bar's annual budget. All advertising copy will be nondiscriminatory as to race, sex, age, religion, color, physical disability, age, and national origin.

(C) All advertising in the *Texas Bar Journal* except that expressly exempted by the Board of Directors will be sold at the *Texas Bar Journal*'s prevailing rates. Classified advertising rates for members of the State Bar will be sufficient to cover costs of providing the service.

7.05.05 Texas Bar Journal Article Reprints.

(A) *Texas Bar Journal* articles may be reprinted if consent of the author and the managing editor is obtained.

(B) A credit byline will be included on the reprint, designating the issue of the *Texas Bar Journal* in which the article first appeared.

7.05.06 TYLA. The TYLA president will have a column in each issue of the *Texas Bar Journal*. The TYLA president and his or her representative will work with the *Texas Bar Journal* staff on special sections throughout the year to ensure that TYLA programs and projects receive publicity.

7.05.07 Publication of Legal Articles.

(A) All legal articles must follow guidelines created by the Board of Editors (available at www.texasbar.com/tbj). Acceptability of each article is determined by the Board of Editors in its discretion.

(B) Every legal article submitted for publication is judged for its quality of writing, scholarship, and organization. An article's length, timeliness, and usefulness to a large number of Texas practitioners are also considered.

(C) The State Bar's commitment to diversity in the activities and programs of the State Bar will be considered by the Board of Editors when selecting articles for publication.

(D) While fair commentary on published opinions by a court may be made in a professional manner, no article criticizing sitting members of the judiciary by name will be published in the *Texas Bar Journal.*

7.06 New Programs, Projects, Services and Functions

***7.06.01 General Policy*.** In support of the Board's authority to consider new programs, projects and functions, and to determine the level of necessary funding, the Chair shall charge an appropriate standing committee of the Board to consider applications for funding of new programs, projects and functions and to report its recommendations to the Executive Committee and the Board pursuant to this Section.

7.06.02 Approval Process. Any section, committee, or other entity of the State Bar originating a program, project, or function must submit to the designated Board committee chair a written request for funding that shall, at a minimum, include the following data:

(A) an analysis of the need for the proposed program, project, service and/or function;

(B) the particular segment of the membership of the State Bar that would be involved or interested in and benefit from the program, project, or function;

(C) the estimated cost to the State Bar of the program, project, or function, supported by a proposed budget for the current and next two Fiscal Years; and

(D) a realistic projection of the anticipated revenue to be generated by the proposed program for the current and next budget years.

7.06.03 Board Process. The Board committee so charged will review requests for program or project funding and submit the requests with the written recommendation to the Executive Committee no later than the second regularly scheduled meeting of the Executive Committee after the receipt of the request. When presented to the Board for approval and adoption, a description of the new program, project or function shall be accompanied by and include all financial information then known and reasonably subject to estimation relating to the operation of the program, project or function.

7.07 MCLE

7.07.01. Appeals of MCLE Committee Accreditation Decisions. Pursuant to the Minimum Continuing Legal Education Regulations approved by the Board, an applicant for course accreditation may appeal a decision by the Minimum Continuing Legal Education Committee denying accreditation to the Board.

(A) Appeals-Grants Review Subcommittee Consideration. If the request for review is filed timely, the Executive Director shall forward the request for review, the record of the MCLE Committee proceedings, and the response by the MCLE Committee to the Appeals-Grants Review Subcommittee of the Board. The Appeals-Grants Review Subcommittee shall review such materials and may hear oral argument from the applicant and the MCLE Committee or its representatives. The Appeals-Grants Review Subcommittee shall uphold the decision of the MCLE Committee unless the applicant proves by a substantial evidence standard that the decision of the MCLE Committee was incorrect. The Appeals-Grants Review Subcommittee may not substitute its judgment for that of the MCLE Committee and may consider only the record on which the MCLE Committee based its decision. The MCLE Committee's findings, inferences and conclusions are presumed to be supported by substantial evidence, and the applicant bears the burden of showing a lack of substantial evidence. Substantial evidence shall mean more than a scintilla of evidence to support the decision.

(B) Board Consideration. The Appeals-Grants Review Subcommittee shall make its recommendation to the Board, and the final decision on the appeal shall be made by the Board. Within 15 days after the Board's determination, the Executive Director shall notify the applicant and the Director of MCLE of the Board's decision.

7.07.02 MCLE Insert. The State Bar authorizes the MCLE department to insert in its regular mailings to lawyer members reporting on their MCLE activity an insert sheet listing continuing legal education courses that have been approved for MCLE credit for the reporting month(s). Those accredited sponsors wishing to be listed on such sheet shall be charged a uniform fee initially not to exceed $250.00 per listing, per mailing. All such advertising is to be coordinated and overseen by the *Texas Bar Journal*.

7.08 Member Benefits

7.08.01 Purpose. In furtherance of the State Bar's commitment to its members and in keeping with the provisions of this section, the Executive Director may contract with providers to offer State Bar members, their staff, families, and household members access to benefit programs and services. In contracting with member benefits providers, the Executive Director should seek to maintain and promote the State Bar's reputation and standing as an agency of the Supreme Court of Texas.

7.08.02 Endorsements. Member benefit providers may not use the official State Bar seal. Member benefit providers may not use any logo, symbol, or words to suggest or imply an endorsement by the State Bar of a product, publication, or service without written permission from the State Bar.

7.08.03 Exclusive or Preferred Provider. Member benefit providers may not represent that they are "exclusive" or "preferred" providers of State Bar member benefits without written permission from the State Bar.

7.08.04 Responsibility. The State Bar is not responsible for and has no control over the actions, products, or services of any member benefit provider. If a member of the Board receives any complaint concerning the actions, products, or services of any member benefit provider, the Board member should not respond, but instead should forward the complaint to the Executive Director who, where appropriate, will contact the member benefit provider to attempt to resolve the complaint.

7.08.05 Private Insurance Exchange. The State Bar's Private Insurance Exchange is a member benefit offered by the State Bar. The State Bar is not responsible for and has no control over the actions, products, or services of any insurance company whose product is sold on the exchange. If a member of the Board receives any complaint concerning the actions, products, or services of any such insurance company or the administrator of the Private Insurance Exchange, the Board member should not respond, but instead should forward the complaint to the Executive Director, who will forward it to the administrator of the Private Insurance Exchange.

Part VIII. LEGISLATION

8.01 Legislative Actions

8.01.01 General. Legislative actions to be undertaken by the State Bar shall be strictly limited to those that conform to State Bar legislative policy and applicable law. No legislative action shall be authorized in the name of the State Bar that cannot be properly and effectively managed. The terms "legislation" or "legislative proposal," when used in this Policy Manual, shall be construed to mean any existing or proposed statute, rule, or regulation of the State of Texas or the United States or of any department or agency of the United States or the State of Texas. The terms "legislative position" or "legislative action" shall mean the legislative action taken or proposed to be taken by the Board with respect to legislative proposals in the name of the State Bar or, pursuant to this policy, by any section of the State Bar.

8.01.02 Support or Opposition by State Bar. The State Bar will neither support nor oppose any proposed legislation or pending enactment by the Texas Legislature or the United State Congress, or any department or agency thereof, unless that legislative action has been approved by the Board or by the Executive Committee acting within the scope of its authority under this Policy Manual.

8.01.03 Criteria. The Board, the Executive Committee, or the Board Legislative Policy Subcommittee, when acting within the scope of its authority under this policy in deciding whether to recommend, support, remain neutral, or oppose proposed legislation or to initiate any legislative action in either house of the Texas Legislature, in the United States Congress, or before any department or agency of the United States or the State of Texas shall, in addition to the policy considerations set forth in this Section, determine that the proposed legislation or legislative action conforms in all material respects to the following criteria:

(A) The proposed legislation or legislative action falls within the purposes, expressed or implied, of the State Bar as provided in the State Bar Act.

(B) Adequate notice and opportunity has been afforded for the presentation of opposing opinions and views.

(C) The proposed legislation or legislative action does not carry the potential of deep philosophical or emotional division among a substantial segment of the membership of the bar.

(D) The proposed legislation or legislative action is in the public interest.

(E) The primary purpose of the proposed legislation or legislative action is not to provide economic benefit to the members of the State Bar.

(F) The proposed legislation or legislative action is not designed to promote or impede the political candidacy of any person or party or to promote a partisan political purpose.

(G) The proposed legislation cannot be construed to advocate political or ideological positions. See, e.g. *Keller v. The State Bar of California*, 496 U.S. 1 (1990).

Nothing herein shall prohibit the State Bar's support of or opposition to legislation relating to the selection, tenure, compensation, staffing, equipping, and housing of the federal or state judiciary.

8.01.04 Consideration. No legislative proposal shall be considered by the State Bar unless:

(A) it has been recommended by the Board Legislative Policy Subcommittee or proposed by motion of a Director after review by the Board Legislative Committee; and

(B) it has been approved by majority vote of the Directors present at the meeting or by majority vote of the Executive Committee during the time when the Texas Legislature is in session, subject to the limitations applicable to the Executive Committee set forth below.

8.01.05 Board Legislative Policy Subcommittee.

(A) The Chair shall appoint the Board Legislative Policy Subcommittee. It shall be composed of nine Board members, at least three of whom shall be public members.

(B) The Board Legislative Policy Subcommittee will meet as often as necessary to develop recommendations to the Board for the Board to initiate legislative action in accordance with this policy.

(C) In each case involving a proposed legislative position, the Board Legislative Policy Subcommittee shall, by a majority vote, include in its recommendations to the Board the following:

(1) that the proposed legislation or legislative action conforms to the requirements of §8.01; and

(2) the legislative position the Board should adopt or initiate.

(D) The Board Legislative Policy Subcommittee shall also have the authority to draft and submit to the Board proposed legislation that it recommends be a part of the State Bar's legislative action program.

8.01.06 Approval Required by Board on Legislative

Proposals.

(A) Procedure for Obtaining Approval of the Board for Legislative Action:

(1) Proposals for legislative action shall be submitted to the Executive Director in the form and with the information specified in this policy at least 45 days before the date of a scheduled meeting of the Board Legislative Policy Subcommittee.

(2) The Executive Director shall circulate copies of all legislative proposals to the Board Legislative Policy Subcommittee for review and action in accordance with this policy.

(3) Legislative proposals not submitted by the time specified in Subsection 8.01.06(A)(1) will not be considered until the next scheduled meeting of the Board Legislative Policy Subcommittee.

(4) The Board may be called on to consider the adoption of a legislative position for the State Bar either by:

(a) a recommendation of the Board Legislative Policy Subcommittee adopted by a majority vote of its members present; or

(b) a motion of a Director after consideration by the Board Legislative Policy Subcommittee in accordance with this policy.

(5) Consideration of any legislative proposal by the Board shall proceed in the following order:

(a) an affirmative vote of a majority of those present that the proposed legislative action is consistent with §8.01 of this policy; and

(b) if the vote concerning each of the findings required by §8.01 is affirmative, then a second vote will be taken to determine the specific legislative position to be adopted. A motion to support, oppose, or take a neutral position on the legislation shall require a majority vote of the Board members present.

The fact that any proposed legislation or legislative action is not considered by the Board or, if considered, did not receive the required majority vote shall not be considered "action" of the Board with respect to that proposed legislation or legislative action.

(B) The Board Legislative Policy Subcommittee, the Board, and the Executive Committee may allow any interested person to appear before them in support of or in opposition to any legislative proposal being considered, subject to reasonable limitations on available time.

(C) Requests that the State Bar take a legislative position shall be accompanied in all cases by a copy of the legislation proposed or opposed, together with substantially the following information, in the form prescribed by the Executive Director:

(1) A brief narrative explanation of the legislation.

(2) Identification of, reference to, or copies of similar legislation, if any, proposed to or being considered by the same legislative or administrative body.

(3) A verification that all sections and committees of the State Bar have been sent the legislation for comment and the comments received (copy of form letter and copy of return receipt from each committee and section).

(4) A statement indicating whether the proposed legislation had been introduced in either the House or Senate during prior legislative sessions, as well as a statement of any amendments proposed to the proposed legislation during the prior legislative sessions and the status of the proposed legislation.

(5) A statement of the known position on the legislative proposal taken by any section or committee of the State Bar that has considered the same proposal, including the principal reasons for support of or opposition to the proposal.

(6) Such other information as the Executive Director may reasonably request from time to time.

(D) All section councils are required to review all legislative proposals not less than fourteen days before the first meeting of the Board Legislative Policy Subcommittee. Sections opposing a legislative proposal must submit written objections not less than ten days before the first meeting of the Board Legislative Policy Subcommittee in order to be heard during the meeting. If no comments supporting or objecting to a legislative proposal are received as provided herein from one or more sections, the Board Legislative Policy Subcommittee will enter a position of "no objection" concerning the proposal from those sections not responding.

(E) A legislative position, once adopted by the Board, shall remain the position of the State Bar for the duration of the legislative session unless the position is later modified in accordance with this policy.

(F) Legislative positions shall be stated to support, oppose, or take a neutral position on legislation. Failure to receive the necessary majority vote to support or remain neutral on the proposed legislation shall not be construed as adoption of a position to oppose that legislation. Reconsideration by the Board of a previous legislative position may be proposed by any Director or of the

Executive Committee and required on a majority vote of those present at a meeting. Legislative positions may be altered, amended, or withdrawn by a majority vote of the Board present at a meeting.

(G) At the meeting of the Board during which any recommendations of the Board Legislative Policy Subcommittee will be considered, the chair of the Board Legislative Policy Subcommittee or a representative shall personally appear before the Board to present and explain the committee's recommendations. Directors who serve as Board advisors to sections recommending proposed legislation may also advise the Board about the merits and rationale of each proposal.

(H) The Board shall not include a legislative proposal on its agenda for consideration for inclusion in the State Bar's legislative program unless it appears that the proponent has complied satisfactorily with the applicable provisions of this policy, including having fully presented the proposal to the Board Legislative Policy Subcommittee and obtained a recommendation from the committee.

(I) Any proponent whose legislative proposal is not recommended by the Board Legislative Policy Subcommittee for inclusion in the State Bar's legislative program and who wishes to appeal to the Board shall give written notice to the Executive Director within ten days after the date of the action. A representative of the proponent shall appear personally before the Board to present and explain the legislative proposal. Such an appeal shall not be allowed unless a full presentation has been made to the Board Legislative Policy Subcommittee.

8.01.07 Role of the Executive Committee.

(A) The Executive Committee, unless otherwise expressly directed by majority vote of the Board, shall take no legislative action unless the Executive Committee shall determine by majority vote of those voting at a meeting that:

(1) the proposed legislative action could not reasonably have been submitted for consideration by the Board Legislative Policy Subcommittee to the Board in accordance with this policy; or

(2) there has been a material change in circumstances concerning a legislative proposal or legislative action approved previously by the Board making it necessary that legislative action be taken by the State Bar; or

(3) prompt legislative action is necessary by the State Bar to address a pending legislative proposal.

(B) When considering proposed legislative action with respect to legislation previously acted on by the Board, the Executive Committee shall be subject to the following guidelines:

(1) The Executive Committee shall take no action inconsistent with a previous decision for legislative action made by the Board unless there has been a significant, material change in circumstances concerning the legislative action since the last meeting of the Board. The failure to receive the required majority vote of the Board shall be considered a rejection by the Board of the legislation.

(2) Action by the Executive Committee on legislative proposals shall proceed as follows:

(a) It must be affirmatively established by majority vote of those voting at a meeting that the legislation or legislative action being considered conforms to the criteria of §8.01 of this policy.

(b) If the vote concerning each of the findings required by §8.01 of this policy is affirmative, a second vote, by majority vote of those voting, will be taken to determine the specific legislative position to be adopted.

(3) Any action of the Executive Committee to modify a legislative position adopted previously by the Board or with respect to any legislative action first initiated by the Executive Committee shall be reported to the Board at its next meeting for ratification.

(C) In the event a majority of the President, the President-Elect, the Chair, the chair of the Legislative Policy Subcommittee and the Executive Director determine that a legislative matter meeting the conditions described in Subsections 8.01.07(A)(1), (2) and (3) must be acted upon immediately, and that there is insufficient time to convene the Executive Committee to act pursuant to Subsection 8.01.07, they may convene as an Ad-hoc Emergency Legislative Response Committee to take such action as a majority deems necessary, subject to the guidelines and restrictions set forth in Subsection 8.01.07(B) above.

8.01.08 Executive Director to Administer Legislative Program.

(A) The Executive Director shall coordinate and administer the legislative programs and activities of the State Bar and shall, together with State Bar legal counsel, monitor the State Bar's legislative program as well as pending legislation that may have an impact on the State Bar.

(B) The Executive Director shall publish in the *Texas Bar Journal* or otherwise give to all members of the State Bar reasonable notice of the time, date, and place that legislative proposals will be considered by the Board Legislative Policy Subcommittee together with a reasonably itemized agenda, which shall include the caption for each such legislative proposal.

(C) The Executive Director shall distribute annually to the chair of each section of the State Bar a copy of this policy and the anticipated timetable that the Board Legislative Policy Subcommittee will follow.

(D) The Executive Director shall monitor the time frame in which the Bar's legislative program is to be developed and shall make recommendations concerning the legislative timetable to the Board. The Board shall consider and adopt, a legislative timetable for publication in the *Texas Bar Journal*. The Executive Director shall furnish a copy of the timetable to each Director, and to the chair of each section and committee.

(E) The Executive Director shall assist and advise all sections and other divisions of the State Bar and the Board in the development of the State Bar's legislative program.

(F) The Executive Director shall inform the chair of each section recommending proposed legislation of the action taken by the Board regarding that section's proposed legislation.

(G) The Executive Director shall have a copy of each item of proposed legislation together with the explanatory material required by this policy, including a written legal opinion by State Bar legal counsel regarding the proposed legislation, prepared and forwarded to each member of the Board Legislative Policy Subcommittee not less than fourteen days before its next meeting, notice of which has been given in accordance with Subsection (B) of this Section.

(H) The Executive Director or designee shall assist the Board Legislative Policy Subcommittee in the submission of its written report or recommendations to the Board. A copy of the Board Legislative Policy Subcommittee's report shall be forwarded to each Director not less than fourteen days before the meeting at which the Board is to consider the Board Legislative Policy Subcommittee's report and appeals from Board Legislative Policy Subcommittee actions. The report shall contain a copy of each legislative proposal and a brief statement of and reasons for the Board Legislative Policy Subcommittee's recommendation.

8.01.09 Procedure for Proposing Legislation for Inclusion in Bar's Program.

(A) Sections are authorized to consider proposed legislation within the scope of their respective purposes and concerns and to make recommendations about it to the Board Legislative Policy Subcommittee. Proposed legislation shall be submitted in accordance with the legislative timetable established each year by the Board and published in the *Texas Bar Journal*.

(B) Committees of the State Bar are specifically not authorized to independently make recommendations to the Board Legislative Policy Subcommittee about proposed legislation. Committees are encouraged to make their recommendations through a section of the State Bar cognizant of the type of legislation recommended by the committee.

(C) If the proponent of a legislative proposal that was approved by the Board for inclusion in a previous legislative program but not enacted desires its inclusion again in the State Bar's legislative program, the proposal must again be submitted to the Board Legislative Policy Subcommittee in accordance with this policy.

(D) Legislative proposals and legislative action approved by the Board for inclusion as part of the legislative program shall be published in the *Texas Bar Journal* in accordance with the legislative timetable. Any legislative action that has not been published in the *Texas Bar Journal* shall be dropped from the legislative program, except emergency legislative action that could not have been reasonably anticipated in time to make its publication possible.

(E) Sections supporting legislative proposals for the Texas Legislature that are approved for inclusion in the legislative program of the State Bar shall submit a suggested list of legislative sponsors for each proposal. That list shall be submitted to the Executive Director or designee not less than sixty days before the Texas Legislature convenes in a regular session. The Executive Director shall, in cooperation with those sections, assist in finding legislative sponsors for each proposal for both houses of the Texas Legislature.

(F) Notwithstanding any of the foregoing, a legislative proposal may be dropped from the legislative program and not supported by the Bar if the Executive Director determines that any proposal for the Texas Legislature, even though previously approved by the Board for inclusion in the legislative program:

(1) as actually drafted, is not in compliance with this policy; or

(2) is not introduced in both houses of the Texas Legislature within the first sixty days of the legislative session.

The Executive Director shall certify to the Board each legislative proposal dropped from the legislative program as authorized herein, accompanied by a statement of the reasons therefore.

(G) No section of the State Bar shall support, endorse, or oppose any proposed legislative action except in accordance with the procedures set out in this policy.

(H) It shall be the responsibility of the section proposing legislation to comply with this policy. It shall be the responsibility of such sections to have a representative appear before the Texas Legislature to explain legislative proposals approved by the Board and to conduct such related activities and provide such additional information as may be required; however, no representative of the State Bar or any section thereof shall appear before the Legislature or any committee or member of the Legislature in the pursuit of any legislative action authorized by the Board without complying with all applicable laws of the State of Texas.

8.01.10 Section Tracking of Legislation. Nothing in this policy shall be construed to prevent a section from tracking specific legislation through the Legislature and informing its membership about any aspect of pending legislation. A section or any of its members may, without complying with any of the provisions of this policy, advocate any position with respect to any legislative proposal to the membership of the section or any of its council members.

8.01.11 Members May Present Individual Views. Nothing herein shall preclude individual members of the State Bar from presenting their individual, personal views on any legislative proposal.

8.01.12 Procedure For Special Legislative Sessions.

The legislative program, if any, of the State Bar, to be presented to any special session of the Texas Legislature shall be adopted under the same procedures as set forth herein, modified only as reasonably required, and with a legislative timetable adopted by the Board by majority vote for each special session.

8.01.13 Suspension of this Policy. Any policy provided for herein may be suspended by the Board by a vote of a majority of the Directors present and voting.

8.01.14 Attachments.

(A) *Attachment A - Application Form.*

REQUEST FOR AUTHORITY OF SECTION TO ASSERT ITS OWN POSITION

FROM:
RE:
OBJECTION DEADLINE:
PROPOSED PRESENTATION DATE:

The _____ Section, if permitted by the Board of Directors of the State Bar by the above presentation date, proposes to submit the attached resolution to _____setting forth its position concerning _____. The resolution was adopted by the council of the _____Section on _____.

The council of the _____ Section is composed of _____members. A quorum being present, ____ members voted for and ____ against the proposed statement.

[Include additional paragraphs covering:

Summary of position, explanation of attachments and explanation of the reason for requesting authority to assert its own position. If fewer than sixty days are allowed for objection, a reason why a shorter time is necessary must be given. A certificate of notice shall conclude the application and shall list all persons to whom the application has been mailed.]

Enclosure(s)
cc: President of the State Bar
Chair of the Board of Directors
President of the TYLA

Executive Director
P. O. Box 12487
Capitol Station
Austin, TX 78711

Chairs of all sections and committees [naming them]

(B) *Attachment B - Notice Form.*

NOTICE BY A SECTION OF A REQUEST FOR AUTHORITY TO ASSERT ITS OWN POSITION

The _____ Section proposes to submit its own position to _____ on , if permission to do so is given by the Board of Directors of the State Bar. This notice is given so that, if you have any objections to this proposed position, you may make them known by calling the Executive Director of the State Bar at 512/463-1463, or writing to P. O. Box 12487, Capitol Station, Austin, TX 78711. Objections are to be made on or before _____. The position this section proposes to present is set out in "Exhibit A". The effect of the proposed position would be to _____.

8.02. Amicus Curiae Briefs

8.02.01 Definitions

(A) The "Ad Hoc Submission Committee" consists of the President, the President-Elect, the Chair, the chair of the Board Legislative Policy Subcommittee, and the Executive Director.

(B) "Court means any state or federal court.

(C) References to the "Executive Director" includes any person to whom the Executive Director delegates any duty required of the Executive Director by this §8.02.

(D) "Position" means any position or positions proposed to be advocated in an amicus curiae brief.

(E) "Request" means a request for approval for the State Bar to file an amicus curiae brief in its own name, or a request for approval for a State Bar section to file an amicus curiae brief in the section's name.

(F) "State Bar sections" includes State Bar divisions

(G) "Subcommittee" means the Board Legislative Policy Subcommittee.

8.02.02 Restrictions.

(A) No request may be approved unless the position:

(1) falls within the purposes, expressed or implied, of the State Bar as provided in the State Bar Act;

(2) cannot be construed as violating any state or federal law or any applicable case law;

(3) does not carry the potential of deep philosophical or emotional division among a substantial segment of the membership of the State Bar;

(4) cannot be construed as conflicting with any existing State Bar policy; and

(5) in the case of State Bar sections, falls within the primary or special expertise, purpose, or concern of the section, and has been approved by the section council or board.

(B) The State Bar or any State Bar section may not file an amicus curiae brief in any court unless it is approved pursuant to this §8.02.

8.02.03 Requests. Requests may only be submitted by an Officer, a Director, or a section of the State Bar, and must include:

(A) the name and contact information of the person or entity making the request;

(B) the name of the case in which the amicus curiae brief is proposed to be filed;

(C) the court in which the amicus curiae brief is proposed to be filed;

(D) the date by which the amicus curiae brief must be filed;

(E) a description of the facts of the case and the questions presented to the court;

(F) the issue or issues proposed to be addressed by the amicus curiae brief;

(G) a statement of the position and in what way such position satisfies the restrictions provided in §8.02.02(A) above;

(H) a draft of the proposed amicus curiae brief, if available at the time of filing the request; and

(I) a disclosure of any personal or professional conflict of interest that any member of the Board or the section's council may have in the case.

8.02.04 Procedures for Approval.

(A) *Procedure for Obtaining Approval of the Board.*

(1) All requests must be received by the Executive Director no later than 30 business days prior to the next regular meeting of the Board. The Executive Director shall deliver the request to the Ad Hoc Submission Committee and to the members of the Subcommittee within 3 business days following receipt.

(2) If a request is received by the Executive Director less than 30 business days prior to the next regular meeting of the Board, a majority of the Ad Hoc Submission Committee may, in its discretion, waive the 30 business day requirement and establish a revised procedural timeline, provided:

(a) such majority determines that it was not reasonably possible for the request to have been received by the Executive Director no later than 30 business days prior to the next meeting of the Board, and

(b) such majority determines that sufficient time remains for the request to proceed for consideration pursuant to this §8.02.03(A).

(3) The Ad Hoc Submission Committee or the Subcommittee may direct the Executive Director to distribute the request to such State Bar sections as it deems prudent. If a request is distributed to any or all State Bar sections, the sections must be advised that any objections to the request are to be received by the Executive Director by a specific date and time set by the Ad Hoc Submission Committee or the Subcommittee, who may then submit a response to the objection to the Executive Director. Upon the receipt of any objection, the Executive Director will notify the person or entity

making the request, who may then submit a response to the objection to the Executive Director. Upon the expiration of the date and time set by the Ad Hoc Submission Committee or the Subcommittee, the Executive Director will compile and distribute the objections and responses, if any, to the Ad Hoc Submission Committee and to the Subcommittee.

(4) Within 5 business days of receipt, the Executive Director will distribute the request to all members of the Board.

(5) The Subcommittee will convene in person or by teleconference to review and take action on the request no later than 20 business days prior to the next Board meeting. In considering the request, the Subcommittee may allow any interested person to appear before the Subcommittee in support of, or in opposition to the request, subject to reasonable limitations on available time.

(6) At the next meeting of the Board, the Subcommittee will deliver its recommendations for or against approval of the request to the Board for action.

(7) In the event the Board approves the request, it may delegate to the President or to the Executive Committee the authority to approve the retention of outside counsel should the President or the Executive Committee, as the case may be, deem such retention prudent, to oversee the review and, if necessary, the revision of the amicus curiae brief, and to assure that the brief is timely filed.

(B) *Expedited Action by the Executive Committee.*

(1) To be considered for expedited action by the Executive Committee,

(a) the request must be received by the Executive Director no later than 15 business days prior to the date of the next regular meeting of the Executive Committee, and

(b) the deadline for filing the amicus curiae brief is set for a date prior to the date of the next meeting of the Board; and

(c) a majority of the Ad Hoc Submission Committee determines that the request could not reasonably have been submitted to the Executive Director pursuant to 8.02.04(A) above.

(2) The Ad Hoc Submission Committee or the Subcommittee may direct the Executive Director to distribute the request to such State Bar sections as it deems prudent. If a request is distributed to any or all State Bar sections, the sections must be advised that any objections to the request are to be received by the Executive Director by a specific date and time set by the Ad Hoc Submission Committee or the Subcommittee. Upon receipt of any objection, the Executive Director will notify the person or entity making the request, who may then submit a response to the objection to the Executive Director. Upon the expiration of the date and time set by the Ad Hoc Submission Committee or the Subcommittee, the Executive Director will compile and distribute the objections and responses, if any, to the Ad Hoc Submission Committee and to the Subcommittee.

(3) The Executive Director will deliver the request to the Ad Hoc Submission Committee, to the Subcommittee, and to all members of the Board within 3 business days of such receipt.

(4) If such a request is received by the Executive Director less than 15 business days prior to the next meeting of the Executive Committee, a majority of the Ad Hoc Submission Committee may, in its discretion, waive the 15 business day submission requirement and establish a revised procedural timeline, provided:

(a) such majority determines that it was not reasonably possible for the request to have been received by the Executive Director no later than 15 business days prior to the next meeting of the Executive Committee, and

(b) such majority determines that sufficient time remains for the request to proceed for consideration pursuant to this §8.02.03(B).

(5) The Subcommittee will convene in person or by teleconference to review and take action on the request no later than 10 business days prior to the next Executive Committee meeting. In considering the request, the Subcommittee may allow any interested person to appear before the Subcommittee in support of, or in opposition to the request, subject to reasonable limitations on available time.

(6) At the next meeting of the Executive Committee, the Subcommittee will deliver its recommendations for or against approval of the request to the Executive Committee for action

(7) If the Executive Committee approves the request, it may delegate to the President the authority to approve the retention of outside counsel if the President deems such retention prudent, to oversee the review and, if necessary, the revision of the amicus curiae brief, and to assure that the brief is timely filed.

(8) The President will report the action of the Executive Committee and any resulting activities to the Board at its next meeting for ratification.

(C) *Emergency Action*

(1) To be considered for emergency action:

(a) the request must be submitted by an Officer or Director;

(b) the request must be received by the Executive Director no later than 10 business days prior to the deadline for filing the amicus curiae brief; and

(c) the deadline for filing the amicus curiae brief is set for a date prior to the date of the next regular meeting of the Executive Committee.

(2) If a request is received by the Executive Director less than 10 business days prior to the deadline for filing the amicus curiae brief, a majority of the Ad Hoc Submission Committee may waive the 10 business day requirement, provided:

(a) such majority determines that it was not reasonably possible for the request to be received by the Executive Director no later than 10 business days prior to the deadline for filing the amicus curiae brief, and

(b) such majority determines that sufficient time remains for the request to proceed for consideration pursuant to this §8.02.04(C).

(3) The Executive Director will distribute the request to all members of the Board as soon as practicable after receipt.

(4) If a request meets the above conditions, the Ad Hoc Submission Committee will consider and take action on the request as soon as practicable. If the request is approved, the President may approve the retention of outside counsel if the President deems such retention prudent, will oversee the review and, if necessary, the revision and filing of the amicus curiae brief, and will assure that the brief is timely filed.

(5) The President will report the action of the Ad Hoc Submission Committee and any resulting activities to the Executive Committee at its next meeting for ratification and, on behalf of the Executive Committee, to the Board at its next meeting for ratification.

8.02.05 Section Statement.

(A) Any action taken by a section pursuant to this provision will be clearly identified as the position of the section and not that of the State Bar. A position statement of the section must provide the following disclaimer in capital letters at a conspicuous location within the document.

THIS AMICUS BRIEF IS BEING PRESENTED ONLY ON BEHALF OF THE (_____) SECTION OF THE STATE BAR. THE SECTION'S POSITION SHOULD NOT BE CONSTRUED AS REPRESENTING THE POSITION OF THE BOARD OF DIRECTORS, THE EXECUTIVE COMMITTEE, OR THE GENERAL MEMBERSHIP OF THE STATE BAR. THE (_____) SECTION IS A VOLUNTARY SECTION OF (___) MEMBERS COMPOSED OF LAWYERS PRACTICING IN A SPECIFIED AREA OF LAW.

THIS AMICUS BRIEF IS SUBMITTED AS A RESULT OF A VOTE OF (___) TO (___) OF THE COUNCIL OF THE (_____) SECTION, WHICH IS THE GOVERNING BODY OF THE SECTION. NO APPROVAL OR DISAPPROVAL OF THE GENERAL MEMBERSHIP OF THE SECTION HAS BEEN OBTAINED.

This disclaimer should state the appropriate votes recorded. For a position statement other than an amicus brief, the disclaimer should use an appropriate term in place of "amicus brief."

(B) If the general membership of the section has approved the section's position, paragraph 2 of the disclaimer may be omitted.

8.02.05 Other Requests. From time to time, the State Bar or a State Bar section may be requested to express support or opposition to any position, action or resolution taken or proposed to be taken by any entity outside of the State Bar. In that event, such request will be treated in a similar manner as a request for approval to file an amicus brief, and will be subject to the requirements, restrictions and procedures established in this §8.02.

Part IX. STATE BAR STAFF

9.01 Executive Director

9.01.01 Appointment. The Board shall appoint the Executive Director. Annual compensation for the Executive Director shall be established by the Board. The Executive Director shall at all times be the highest paid employee of the State Bar.

9.01.02 Executive Director. The Executive Director is the chief administrative officer who has full responsibility for the proper administration of the State Bar office and all its facilities and properties, and is subject to review only by the Board.

(A) Along with the President, the Executive Director is the official spokesperson for the State Bar.

(B) The Executive Director, after considering the advice of legal counsel, has authority to compromise claims by or against the State Bar up to the amount of $50,000.

(C) The Executive Director, upon consultation with the Officers, shall hire in-house legal counsel.

(D) The Executive Director, upon consultation with the Officers, shall have the authority to retain outside counsel to represent the State Bar in legal matters.

9.01.03 Evaluation of Executive Director.

(A) *Evaluation.* The Executive Director shall be evaluated once every fiscal year. The Executive Committee will be responsible for coordinating the evaluation process as detailed below. The Executive Committee shall delegate its initial duties to an Evaluation Subcommittee comprised of the President, President-elect, Immediate Past President, Chair of the Board, and Chair of the Administration Committee.

(B) *Setting Performance Objectives.* At the beginning of each fiscal year, but not later than the first quarterly Board Meeting, the Evaluation Subcommittee shall meet with the Executive Director and set performance objectives for that fiscal year, including performance objectives that the Executive Director will hold division directors and members of the Senior Management Team responsible for accomplishing. The performance objectives of the Executive Director will be presented to the Executive Committee for review and final approval

(C) *Process.* The Evaluation Subcommittee will be responsible for the actual conduct of the evaluation, including but not limited to, drafting of the appropriate inquiries, seeking input from each Board member and the tabulation and reporting of same. The responses to the inquiries shall state the nature and extent of contact with the Executive Director during the evaluation year. In the evaluation process, each Board member shall be furnished with the performance objectives approved for that evaluation year, together with the commentary, if any, of the Executive Director setting out how those performance objectives were completed.

(D) *Confidentiality.* The evaluation process is to be conducted in a confidential manner, which ensures the privacy of the Board members' responses consistent with the Public Information Act, or any successor act.

(E) *Performance Areas.* It is anticipated that the evaluation process will include, but is not limited to, at least the following:

(1) Administration functions and responsibilities;

(2) Financial accountability;

(3) Leadership skills and activities;

(4) External and internal communication including outside entities (such as the judiciary, legislature, local bar associations, committees, sections, and affiliated entities).

(F) *Presentation to Executive Director.* The annual evaluation shall be completed before the fourth quarterly Board meeting. The Evaluation Subcommittee shall meet with the Executive Director to review the results of the annual evaluation prior to reporting the results to the Board, at the fourth quarterly Board meeting. The Executive Director, prior to the results being reported to the Board, shall be given an opportunity to provide input to the Evaluation Subcommittee at which time they may, in their discretion, amend the report before presenting it to the Board. The final approval of the annual evaluation is with the Board of Directors.

9.01.04 Unclassified Employees*.* The three unclassified employees of the State Bar are the Executive Director and the Chief Disciplinary Counsel.

9.02 Staff Employment and Compensation

9.02.01 Employment*.* The Executive Director shall hire and fire all State Bar employees, except assistant disciplinary counsel, investigators and clerical personnel of the Chief Disciplinary Counsel's office.

9.02.02 Compensation**.** The Executive Director and the Chief Disciplinary Counsel have authority to determine the salaries of personnel under their supervision provided that the total salaries do not exceed the amount budgeted for salaries in each department budget. The Chief Disciplinary Counsel, and department heads shall consult with the Executive Director before committing any employee for any increase in compensation. All classified State Bar employees shall be compensated on a merit system, which shall be based on a system of annual performance evaluations.

9.02.03 Non-Discrimination Policy**.** It is the policy of the State Bar to comply fully with nondiscrimination provisions of all state and federal rules, laws, guidelines, regulations, and executive orders by ensuring that all employees and applicants receive equal opportunity for employment. No person shall be discriminated against with regard to recruitment, selection, appointment, training, promotion, retention, termination, or performance review or any other employment action or term or condition of employment on the grounds of race, religion, color, national origin, sex, disability, military service/veteran status, sexual orientation, or age.

9.02.04 Staff Vacancies**.** Whenever a vacancy exists in the staff, the Executive Director or the Chief Disciplinary Counsel respectively shall have the authority to promote a present employee to fill the vacancy and to fix the salaries for those promoted. The Executive Director or the

Executive Director's designee shall develop an intra-agency career ladder program. The program shall require intra-agency postings of all non-entry level positions concurrently with any public posting.

9.02.05 Employee Benefits. Employee benefits are described in the *State Bar Employee Handbook*. The State Bar shall comply fully with all relevant provisions of all state and federal rules, laws, guidelines, regulations, and executive orders with regard to benefits.

9.03 Internal Policy for Public Information Requests

9.03.01 General. To more fully comply with §552.230 of the Public Information Act, Texas Government Code, Title 5, Subtitle A, Chapter 552, the Board may adopt and maintain policies and procedures governing compliance with public information requests and appropriate charges.

9.03.02 Internal Policy for Public Information Requests.

(A) *Introduction*. In order to more fully comply with §552.230 of the Public Information Act (formerly the Open Records Act) (Texas Government Code, Title 5, Subtitle A, Chapter 552), hereafter termed the PIA, which states that "A governmental body may promulgate reasonable rules of procedure by which public information may be inspected efficiently, safely, and without delay," the State Bar of Texas has developed the following internal policy for fulfilling public information requests.

(B) *Definitions of Terms in the Public Information Act.*

(1) *Officer for public information*. The Executive Director shall be the officer for public information [§552.201(A), PIA].

(2) *Agent for officer of public information*. Each department head shall be an agent for the officer for public information [§552.202, PIA].

(3) *Public information*.

(a) Information is public information if, under a law or ordinance or in connection with the transaction of official business, it is collected, assembled, or maintained:

(i) by a governmental body; or

(ii) for a governmental body and the governmental body owns the information or has a right of access to it.

(4) *Availability.* Public information is available to the public during normal business hours of the governmental body. [§552.021, PIA]

(C) *Procedures for Handling Public Information Requests*.

(1) Records which are clearly public information and are routinely requested by the public and attorneys on a daily, weekly or monthly basis, or which are provided routinely on a yearly basis, such as annual reports, and which are currently handled over the telephone or through the mail without requiring a written request from the inquirer, may continue to be handled in this manner in order to provide the information to the inquirer with as little delay as possible.

Some examples of this type of information are: date of licensing and record of disciplinary actions taken against State Bar members, articles and biographical information from the *Texas Bar Journal*, some survey information, pamphlets and informational brochures on public services offered by the agency, information on courses and institutes offered by the State Bar's TexasBarCLE, press releases, information on legislative policies of the agency, information on the agency's legislative programs, and financial records.

All requests for records and information that are not provided on a routine basis should be submitted in writing and should be forwarded immediately to the Executive Director. An employee receiving a telephone request should instruct the caller to put the request in writing and send it to the State Bar, to the attention of the Executive Director. NEITHER THE EXECUTIVE DIRECTOR NOR ANY EMPLOYEE SHALL MAKE ANY INQUIRY OF ANY PERSON WHO APPLIES TO EXAMINE OR COPY PUBLIC INFORMATION BEYOND ESTABLISHING PROPER IDENTIFICATION AND WHICH RECORDS ARE BEING REQUESTED [§552.222, PIA].

(2) Upon receipt of a request to examine records or information that is not routinely provided, the Executive Director shall determine within five calendar days if the records being requested are included in the above definition of public information. If the records are deemed to be public information, the Executive Director shall forward the approved request to the appropriate department head.

(3) Upon receipt of the approved request the department head shall make the records available to the requestor for inspection or duplication within five calendar days from the time that the department head received the approved request. If the requested records are in active use at the time that the requestor asks to examine them, and will not be available within five calendar days from the time that the department head receives the approved request, then the Executive Director shall certify this fact in writing to the requestor

and set a date and hour within a reasonable time when the records will be available for examination by the requestor [§552.221, PIA]. The Executive Director, or the department head shall give, grant and extend to the requestor all reasonable comfort and facility for the full exercise of the right granted by the PIA [§552.224, PIA].

(4) If the Executive Director receives a request which is considered to be within one of the exceptions under Subchapter C, but there has been no previous determination that it falls within one of the exceptions, the Executive Director must request within ten calendar days of receiving the request a decision from the attorney general to determine whether that information is within one of the exceptions. If a decision is not so requested, the information shall be presumed to be public information [§§552.301 and 552.302, PIA].

(5) The Executive Director or the department head shall provide the requestor with a copy of Subchapters A and B of the Public Information Act so that the requestor will be fully aware of his rights and of the rules concerning access to public information.

(D) *Other Statutory Responsibilities*.

(1) Nothing in the Public Information Act shall authorize any person to remove original copies of public information from the offices of any governmental body [§552.226, PIA].

(2) The Executive Director or the department head shall treat each request for information uniformly without regard to the position or occupation of the person making the request or the person on whose behalf the request is made or because the individual is a member of the media [§552.223, PIA].

(3) Information deemed confidential under §552.101 (PIA) shall not be distributed [§552.352, PIA]. However the officer for public information may in any instance within the officer's discretion make public information protected under the exceptions contained within the PIA that is not deemed confidential by law [§552.007, PIA].

(4) It shall be the duty of the officer for public information, subject to penalties provided in the PIA, to see that public information is made available for public inspection and copying; that the information is carefully protected from deterioration, alteration, mutilation, loss, or unlawful removal; and that public information is repaired, renovated, or rebound when necessary to maintain them properly [§552.203, PIA].

(E) *Charges for Copying Public Information.* Guidelines for charges for copying public information consisting of standard size pages (up to and including legal size) are contained in 1 TAC §§111.61-111.63. The State Purchasing and General Services Commission acts as a consultant to governmental bodies to assist them in setting charges for nonstandard size pages or records in computer banks, on microfilm, or other similar record keeping systems. It is the responsibility of the Executive Director to initiate consultation with this commission and to supply adequate cost data relative to the records request. This consultation request must be submitted in writing to the attention of the Material Management Section of the Central Services Division of the Commission. [1 TAC §111.63]

(F) *Charges for Labels and Mailing Lists:* Under the Public Information Act, the State Bar must provide a list of its membership to anyone who requests it. A reasonable fee as determined by applicable statutes and rules will be charged for providing the list. Mailing labels containing the names of each member of the State Bar shall be made available for a reasonable fee.

(1) The Board has determined that the cost of purchasing labels/lists includes the cost of materials plus the cost of central processing unit (CPU) time plus postage and sales tax. Prices are subject to change depending on vendors charge in cost of materials to us.

(2) The amount of such fees may be different depending on category of user.

(3) Mailing labels will be furnished without charge to Board Members for use within their respective districts no more frequently than quarterly.