

**OFFICIAL MINUTES
STATE BAR OF TEXAS
EXECUTIVE COMMITTEE MEETING
Texas Law Center
Austin, TX
January 5, 2012**

The Executive Committee met on January 5, 2012 in Austin at the Texas Law Center. President Bob Black called the meeting to order at 10:30am, and Executive Director Michelle Hunter called the roll.

Present: President Bob Black, Roy Brantley, Damon Edwards, Becky Baskin Ferguson, President-elect Buck Files, Chair of the Board Beverly Godbey, Bert Jennings*, Justice Phil Johnson*, TYLA President Natalie Cobb Koehler, Jo Ann Merica, TYLA Immediate Past President Jennifer Evans Morris*, Toni Nguyen, Tommy Proctor, TYLA President-elect C.E. Rhodes, Immediate Past President Terry Tottenham

Participating via teleconference: Immediate Past Chair Pablo Almaguer*, David Copeland, Susan Fisher*, Kyle Lewis*, Travis Sales, John Trevino

**Nonvoting member*

I. APPROVAL OF MINUTES

Upon motion properly made by Toni Nguyen and seconded by TYLA President Natalie Cobb Koehler, the minutes of the October 25, 2011 Executive Committee meeting were approved as distributed.

II. REPORTS

A. Report from the President:

President Black reported on the redistricting task force, chaired by past president Roland Johnson, which Black appointed to review current State Bar districts and the apportionment of State Bar directors. The task force has met several times to study the demographics of the state and determine whether changes should be recommended. Originally the task force was scheduled to report its finding and recommendations to the Board at its January meeting. The task force, however, has determined that more time is needed for review and it will now report its findings and recommendations to the Board at its April meeting.

President Black reported on the concerns of the Family Law Section regarding the Access to Justice Commission and its efforts to develop forms for pro se litigants and to encourage limited scope representation. The Commission has a committee that is working in conjunction with the Supreme Court Uniform Forms Task Force, with the goal that the forms be certified by the Court for use by pro se litigants. The Family Law Section has expressed its concerns regarding these forms, and has met with the Commission. Numerous representatives from the Family Law Section, the family law bar, and the ATJ community are expected to attend the January Board meeting and comment on these issues. President Black stressed that it is important that the Board listen to all those who have an interest in this issue.

President Black proposed that the Executive Committee vote to ask the Court to suspend the work of the task force temporarily, and to allow the State Bar to appoint a diverse task force to study the issue and to serve as an intermediary to gather data and report its findings back to the Court. Further discussion ensued with questions about appointing members to the task force, gathering data and resources to undertake this study, as well as the need of the State Bar to remain neutral and impartial.

President Black moved for approval to ask the Supreme Court of Texas to suspend the work of the Uniform Forms Task Force and to ask the Bar to study the issue of indigent self represented litigants in

the State's courts, including collecting data demonstrating the number of these litigants, gathering information about how these cases are being handled by Courts throughout the state, and reviewing possible solutions to the issue; Roy Brantley seconded. Motion carried.

B. Report from the President-elect: President-elect Buck Files reported that he is in the process of appointing members to Standing Committees.

President-elect Files highlighted several items for the FY 12-13 proposed budget, including a \$483,067 transfer from the general fund to the building fund; \$400,000 annual transfer to the technology fund; \$300,000 annual transfer to the Client Security Fund; \$100,000 included for a referendum if one is needed; a \$250,000 reserve for contingencies; a 4% merit raise for staff, and a \$350,000 designation for the Student Loan Repayment Assistance Program (based on a Board vote in January of 2011). President-elect Files also reported that based on the audit report, the total increase in the fund balance that is available for designation is approximately \$2.2 million, which will be designated as follows: approximately \$440,740 to increase the minimum reserve to \$8.2 million; \$250,000 to the Client Security Fund; and \$1,179,871 to the Technology Fund, of which \$870,000 will be used to continue a 5-year plan to replace multiple business systems, and \$310,000 for TexasBarCLE technology enhancements. In addition, \$100,000 will be designated for presidential initiatives; \$100,000 for the Texas Court Records Preservation Task Force created by the Supreme Court; a \$50,000 designation for a scholarship program geared towards lawyers who cannot afford to attend TexasBarCLE programs; and \$50,000 to complete the Law Related Education department's *Oyez, Oyez, Oh Yay! Civics Resources for Texas Students and Teachers* DVD.

On behalf of the Budget Committee, President-elect Files moved for approval of the SBOT 2012-13 proposed budget for publication in the *Texas Bar Journal*; no second needed. Motion carried.

C. Report from the Chair of the Board: Chair Beverly Godbey reminded the directors that those who are interested in running for next year's Chair of the Board need to submit their intent to run and statement of position prior to the January Board meeting. Chair candidates will also speak at the January Board meeting.

D. Report from the Immediate Past President: Immediate Past President Terry Tottenham reported that he has been notified by the American College of Trial Lawyers that Texas Lawyers for Texas Veterans has been awarded the 2012 Emil Gumpert Award.

E. Administration Committee: Travis Sales (participating by phone) reported that the Employment/Salary/Evaluation Subcommittee is working on implementing the revised Affiliated Entities Board Policy. The subcommittee is drafting a letter to the State Bar's affiliated entities requesting information such as annual budget, goals, financial audit and annual reports. The request letter will be presented to the Board at its January meeting, and the subcommittee will review the requested information with the goal of presenting a summary and any recommendations at the June Board meeting.

Tommy Proctor reported on the termination of the San Antonio regional office's lease in the Federal Reserve Bank Building. The lease is being terminated by the Federal Reserve Bank due to the closing of their operations in San Antonio. The State Bar has begun the search for a new location and has received proposals for 5-year and 10-year lease options. The options have been narrowed down to three properties. The F & E subcommittee will develop a recommendation to be considered by the Administration Committee to approve a lease to recommend to the Board at its January meeting. The State Bar may also consider seeking damages from the Federal Reserve for unilaterally breaking the lease, which would offset what could potentially be increased expenses incurred by the Bar due to the termination of the lease, including the cost differential of the new lease over the current lease, increased parking costs, and various fees associated with such items as build-out, moving, and cabling.

F. Audit & Finance Committee: Bert Jennings reported that the general fund net revenues over expenditures for the six months ending November 30, 2011 was approximately \$1.4 million, which includes TexasBarCLE, who's net revenue was over its budgeted target by \$750,000, or 32%. The Independent Auditors' Report presents an unqualified opinion, the best audit opinion the State Bar can receive. A presentation of the financial audit will be

made by Maxwell Locke & Ritter during the A & F Committee's meeting prior to the January Board meeting, and the committee will make a recommendation to the Board regarding the acceptance of the financial audit report.

The CPA firm of Padgett, Stratemann & Co, LLP, has completed the internal control audit, and has made two suggestions that will be implemented in the future: 1) that an on-site visit to Statco, the vendor responsible for processing cash receipts for the State Bar's Membership department, be scheduled to ensure that the controls surrounding the processing of cash receipts are properly designed and operating effectively; and 2) that a bar-wide policy be implemented concerning the securing of the State Bar's individual computer workstations with a screen saver timeout feature that locks the workstation after a configured idle period of time. Padgett, Stratemann & Co will make a presentation of the internal control audit report at the A & F Committee's meeting also, and the committee will make a recommendation to the Board regarding the acceptance of the internal audit report.

G. Nominations & Elections: Immediate Past President Terry Tottenham reported that the committee interviewed seven highly qualified individuals to be considered as potential nominees for President-elect, and after much deliberation, voted to nominate Steve Bolden of Dallas and Lisa Tatum of San Antonio. Tottenham reminded the Board that there are limitations on what Board members can do in the campaigns for president-elect, and that they may not endorse, support, or participate in the campaigns in their official capacities. Tottenham also reported that there are 10 members of the Board whose terms are expiring in June, and asked that the outgoing directors help recruit qualified attorneys from their districts to run for the open positions. The elections for President-elect and district directors begin on April 2nd and end on May 1.

On behalf of the Nominations & Elections Subcommittee, Immediate Past President Terry Tottenham moved for approval of Steve Bolden and Lisa Tatum as the State Bar candidates for President-elect for 2012-2013; no second needed. Motion carried.

H. Policy Manual Subcommittee: Don Jones reported that the Policy Manual subcommittee will be working on cleaning up certain provisions of the Policy Manual, and that various items will be discussed at the January Board meeting.

I. Ad Hoc Committee to Select Minority Directors: Toni Nguyen reported that the Ad Hoc Committee to Select Minority Directors received 5 nominations for consideration this year, and the Committee will conduct interviews on January 13 in order to recommend two nominees to the President for appointment. President Black will recommend appointment of one of those individuals to the Board for a three year term starting in June as minority director, and the Board will vote on the appointment at the April Board meeting.

J. Member Services and Education: David Copeland reported that the Appeals/Grants Review subcommittee will meet in January to review two appeals, and will report to the Board at its January Board meeting. The Insurance/Member Benefits subcommittee and the New Directors Orientation subcommittee will both meet the day before the January Board meeting.

The Professional Development subcommittee met jointly with the CLE Committee in October to hear reports from staff, discuss priorities, and develop new program ideas. The subcommittee will also meet the day before the January Board meeting. On behalf of the Technology Oversight subcommittee, Copeland reported that work continues on the new CDC case management system, and the completion and acceptance of the functional design is anticipated in late January. The IT staff has completed the computer replacement and operating system upgrades of all CDC offices in Austin and around the state.

K. Supreme Court Liaison: Justice Phil Johnson reported that the Court worked hard to get the rules out by the first of the year, and are now receiving comments. Justice Johnson expressed the Court's appreciation of the State Bar's position in handling the issue involving the Uniform Forms Task Force, the Family Law Section and the ATJ Commission.

L. TYLA: TYLA President Natalie Cobb Koehler reported on the upcoming TYLA Board meeting in Frisco; “Shelby’s Story”, which helps educate teenagers about the dangers of underage drinking; Attorneys Without Borders, a diversity discussion; and an opportunity to hear oral arguments before the Supreme Court that will be held in Laredo in February.

M. Executive Director: Michelle Hunter reported that the book club recently finished the book, “Same Kind of Different As Me”, and selected participants in the book club will accompany her to the TYLA Diversity dinner in Dallas featuring the co-author of the book, Ron Hall.

There being no further business, the meeting was adjourned at 12:23pm.