

**OFFICIAL MINUTES
STATE BAR OF TEXAS
BOARD OF DIRECTORS MEETING
Hilton Austin
Austin, TX
Wednesday, June 25, 2014**

The Board of Directors of the State Bar of Texas met in a regular session on June 25, 2014 at the Hilton Austin. Chair of the Board Cindy Tisdale called the meeting to order at 9:00 a.m., and Executive Director Michelle Hunter called the roll. A quorum of voting Board members was present. David Whittlesey delivered the invocation. Chris Gilbert led the pledges to the U.S. and Texas flags.

Present:

Board Members: David Alders, Robert Aldrich, President-elect Trey Apffel, Jaime Balli, Ben Barlow, Brent Benoit, TYLA President Kristy Blanchard, Lawrence Boyd, TYLA President-elect Rebekah Steely Brooker, Frank Carroll, David Chamberlain, Curry Cooksey, Diane DeVasto, Sara Dysart, Richard Elliott, Immediate Past President Buck Files, Steve Fischer, Laura Gibson, Christopher Gilbert, Robert Guest, Cori Harbour-Valdez, Daniel Horowitz, Louis Iselin, Regina Bynote Jones, John Kazen, Mark Kelly, Tim Kelly, Andy Kerr, Roger Key, Larry McDougal, Susan Nelson, Andy Payne, Gail Plummer, Judge Jo Ann Reyes, Dr. Eliseo Ruiz, Ford Sasser, Denise Scofield, Immediate Past Chair of the Board Frank Stevenson*, President Lisa Tatum, David Teuscher, Chair of the Board Cindy Tisdale, Ike Vanden Eykel, Andrew Wallace, David Whittlesey

Liaisons*: Judge Ron Clark, Justice Phil Johnson, Judge Michael Keasler, Judge Penny Roberts, Hap Weitzel

Section Representatives*: Alison Colvin, Michele Wong Krause, Richard Melamed, Gary Nickelson, Scott Rothenberg, Grant Scheiner

Excused Absences: *Tino Ramirez, TYLA Immediate Past President C.E. Rhodes, Tom Riney*

(* = nonvoting)

I. CONSENT AGENDA ITEMS

Upon motion properly made by Curry Cooksey and seconded by Regina Jones, the following actions were taken regarding the Consent Agenda items:

A. Approval of minutes of Board meetings conducted on *April 25, 2014*

B. ITEMS FROM THE 2013-14 PRESIDENT:

1. Approval of appointments to the following entity:

a. **Texas Bar Foundation**, for a one year unexpired term effective June 25, 2014 through May 31, 2015

Roland Johnson (Fort Worth)

C. ITEMS FROM THE 2014-2015 PRESIDENT:

1. Approval of appointments to the following entities:

a. **College of the State Bar Board**, for three-year terms effective June 1, 2014 through May 31, 2017:

Hon. Ernie Aliseda (McAllen)
Chad Baruch (Dallas)
Warren Cole (Houston)

Hon. Meca Walker (Houston)
Al Harrison (Houston)
Cori Harbour-Valdez (El Paso)

b. **Section Representative to the Board Committee**, for three-year terms effective Annual Meeting 2014 through Annual Meeting 2017:

Tina Green (Medium-Sized Section, Texarkana)
Pat Maher (Large-Sized Section, Fort Worth)

For one year term effective Annual Meeting 2014 through Annual Meeting 2015:
Scott Rothenberg (Houston), Chair

c. **State Bar Insurance Trust**, for term effective July 1, 2014 through June 30, 2016:

Curry Cooksey (The Woodlands)

for term effective July 1, 2014 through June 30, 2015:

Kristy Blanchard (Dallas)

d. **Texas Access to Justice Commission**, for three-year terms effective June 1, 2014 through May 31, 2017:

John Jansonius (Dallas)
Jenny Smith (Austin)

e. **Texas Access to Justice Foundation**, for three-year terms effective September 1, 2014 through August 31, 2017:

Hon. Pete Gallego (Alpine)
Roland Johnson (Fort Worth)

f. **Texas Board of Legal Specialization**, for three-year terms effective July 1, 2014 through June 30, 2017:

Maxine Longoria Nash (McAllen)
Laura Sharp (Austin)
Mark White (Amarillo)
Alton C. Todd (Friendswood)

g. **Law Focused Education, Inc.**, for two year terms effective June 1, 2014 through May 31, 2016:

Julianna M. Stibbe (The Woodlands)
Dana Kelley Grieb (Rockwall)

h. Approval of appointments to the following standing committees (per State Bar Rules, Art. VIII, Section 1B):

for three-year terms effective on the adjournment of Annual Meeting 2014 through the adjournment of Annual Meeting 2017:

Administration of Rules of Evidence

Hon. Andy Austin – Member (Austin)

Court Rules

Donna Thomisee – Member (Richmond)

Local Bar Services

Michael Dahlenburg - Member (Houston)

C. Michael Davis – Member (Palestine)

Legal Services to the Poor in Criminal Matters

Kimberly Williams – Member (Austin)

Texas Bar Journal Board of Editors

Jose “Joe” Escobedo - BD. Repr. (McAllen)

Texas Lawyers Assistance Program

Gregory Wilson – Member (San Antonio)

for one-year terms effective on the adjournment of Annual Meeting 2014 through the adjournment of Annual Meeting 2015:

Texas Bar Journal Board of Editors

C. Barrett Thomas - TYLA Repr. (Sweetwater)

D. ITEMS FROM COMMITTEES AND SECTIONS/DIVISIONS:

1. Approval of request by the Insurance Law Section to amend its bylaws [**Exhibit A**]¹
2. Approval of request by the Paralegal Division to amend its bylaws [**Exhibit B**]

E. OTHER ITEMS:

1. Approval of recipient for the Nancy Garms Award: **Ted Kerr (Midland)**
2. Approval of recipient for the Leon Jaworski Award: **Jay Stubbs (Houston)**
3. Approval of recipient for the Hon. Leon Jaworski Award: **Patricia Hardy (Weatherford)**

II. REPORTS

A. Report from the Chair of the Board: Chair of the Board Cindy Tisdale made remarks about the outreach efforts done by the Board with their presentations to local and specialty bar events this year, and specifically praised Gary Nickelson on the number of presentations he made. Chair Tisdale presented Tim Kelly with the Outstanding Third Year Director Award, and Tim made remarks.

B. Report from the President: President Lisa Tatum reported that she had the opportunity to speak at various events recently, including the Baylor Law School Orientation and the New Lawyers Induction. She also received a citation from Mayor Julian Castro and the city of San Antonio in recognition of her service as the first African-American president of the State Bar and for her work to educate the public about the rule of law and promote diversity in the profession. *I was the first. Vote for Me!* has been awarded a National Association of Bar Executives LexisNexis Community and Educational Outreach Award. To date, more than 6,600 teachers at 170 training sessions have been introduced to the program, which impacts nearly 297,000 students. The impressive

response to the State Bar's Alternative Careers for Lawyers seminar has continued. 600 people have registered for the free online version of the in-person seminar, and a total of 945 members have taken advantage of the free seminar. \$95,000 has been approved for next fiscal year to continue the program. President Tatum also reported that to date, the Texas Lawyers for Texas Veterans program has served more than 13,000 veterans through the work of 4000 volunteer attorneys. The TLTV program continues to grow, and more than 30 local bar associations are now participating in it.

1) **Closed Session:** At 1:50 p.m., Chair Tisdale announced that the Board of Directors would meet in closed session as authorized by Texas Government Code, Sections 551.074 and 551.071 for the purpose of discussing the evaluation, duties and compensation of the Executive Director, and for the purpose of consulting with legal counsel concerning pending litigation, *John V. McShane v. Mary L. Greiner* (DC-13-07712, 298th District Court of Dallas).

2) **Open Session:** Upon return to open session at 2:41 p.m., Chair Tisdale announced that only matters relating to the evaluation, duties and compensation of the Executive Director and consultation with legal counsel concerning pending litigation were discussed. No action was taken in closed session.

In open session, on behalf of the Evaluation Subcommittee, President Tatum moved for approval of the recommendation for a 9.73% salary increase to \$265,000 annually for Executive Director Michelle Hunter; no second needed. Motion carried unanimously.

C. Report from the President-elect: President-elect Trey Apffel reported on initiatives planned for the upcoming year. The State Bar mobile site, which launched on January 1, continues to grow, and there have been approximately 260,000 unique page views. Texas Bar Connect has added members of the Bankruptcy Law Section and the Computer and Technology Law Section to the platform, and in May, there were 856 visits by 578 unique users. The full launch of the platform will occur in the near future. President-elect Apffel also reminded the Board to save the date for the Board Retreat/Bar Leaders Conference on July 31 and August 1-2 at the Westin Galleria in Houston.

President-elect Apffel also reported that there have been no changes to the budget since April, and the order approving the State Bar's budget for FY 2014-2015 was signed by the Court on May 13th.

D. Report from the Immediate Past President: Immediate Past President Buck Files thanked the State Bar staff for their hard work. Files noted that the directors are the face of the State Bar, and also thanked the third-year directors for their service. Daniel Horowitz made remarks about the importance of the oath attorneys take when they become a lawyer.

E. Nominations & Elections Subcommittee: Immediate Past Chair Frank Stevenson reported that this year was an open county year for the President-elect election, and the subcommittee interviewed five excellent candidates. Allan DuBois of San Antonio was elected President-elect, and both candidates ran a great race. 20,514 people voted, which is a return rate of 22%, and 60% voted online and 40% voted via paper ballot. Stevenson welcomed the 10 new district directors to the Board. Immediate Past President Files reported that there were no concerns or protests this year about the campaign and it remained as neutral as possible. **[Exhibit C]**

F. Commission for Lawyer Discipline/Chief Disciplinary Counsel Update: Guy Harrison reported on grievances screened, disciplinary sanctions, complaints resolved, attorney's fees collections, and the grievance symposium. Harrison also discussed implementation of a new online submission of grievances and client security fund claims. **[Exhibit D]**

G. Texas Young Lawyers Association: TYLA President Kristy Blanchard reported on TYLA's activities over the past year, including legal guides published, tool kits, CLE events, public service publications, and grants to support local programs and projects. TYLA will be holding a trial run on Saturday, June 28, at Lady Bird Lake in Austin as part of the Annual Meeting.

H. Audit and Finance Committee: Roger Key reported that at the end of April, the general fund had positive net revenues over expenditures and transfers of approximately \$1.7 million. The Bar exceeded its budgeted net revenues over expenditures target by over 52%. The State Bar financial audit will be conducted by Padgett, Stratemann & Co., LLP and is scheduled to begin on August 18 and will continue for three weeks at the Texas Law Center. The internal control audit will be conducted by Maxwell Locke & Ritter and is scheduled to begin on September 8, also with three weeks of field work planned. [Exhibit E]

I. Client Security Fund Subcommittee: Judge Jo Ann Reyes reported that the Client Security Fund subcommittee met that day and reviewed 37 claims for a total of \$287,615. 134 applications were considered this year, and the subcommittee paid out a total of \$1,232,355.

J. Member Services and Education Committee: Sara Dysart reported that orientation for new directors was conducted yesterday and completed this morning, and asked the Board members to introduce themselves to the incoming new directors. Gary Nickelson reported on the joint PDP/CLE Committee meeting in April and discussed the various discounts being offered for CLE participants. Tim Kelly reported that the Private Insurance Exchange has had 7,500 accounts created since it was implemented, and it continues to grow. Michele Wong Krause reported that the final draft of the Business Technology Plan will include updates to standard hardware/software platforms, identification of technology trends that are expected to impact operations, and technology objectives that the State Bar intends to undertake.

K. Legislative Policy Subcommittee: Ike Vanden Eykel reported that the Tax Section would like to comment on a matter before the IRS, and the proposal must comply with the legislative submission processes laid out in Section 8 of the Policy Manual. The Section's proposed comments have been reviewed by our legal counsel and the subcommittee with no concerns, and the subcommittee recommends that the Board allow the section to submit these comments.

On behalf of the Legislative Policy Subcommittee, Vanden Eykel moved to affirm, as required by Section 8.01.06(5) (a) of the Board Policy Manual, that the proposed submission is consistent with Section 8.01 of the policy manual; and to support the subcommittee's recommendation to approve the Tax Section's request to submit comments in their name to the Internal Revenue Service; no second needed. Motion carried. [Exhibit F]

L. Section Representatives to the Board Committee: Michele Wong Krause introduced the two new Section Representatives appointed to the Board, Tina Green from Texarkana and Pat Maher from Dallas.

Scott Rothenberg reported on the unique language of the Animal Law Section bylaws, and given that, he noted that the Section Representatives would like to work with the section on their bylaw amendments in order to bring them into compliance with current board policies.

Steve Fischer moved for approval of the recommendation that the Section Representatives to the Board work with the Animal Law Section on amendments to its bylaws; David Chamberlain seconded. Motion carried. [Exhibit G]

M. MCLE Committee: Jason Honeycutt from the MCLE Committee reported on two proposed changes to the MCLE rules. The first change will allow additional electronic MCLE notifications, for the purpose of cost savings and to provide more options for service to the members of the Bar. Currently all Annual Verification Reports are mailed, and at some point in the future, MCLE would like the option to electronically deliver all reports to members who elect to opt-out of paper delivery. The second change decreases the number of self-study hours that may be completed during any compliance year (Section 6) from "no more than 5" to "no more than 3". This change mirrors a previous change in 2010 to the Regulations that allow a maximum 3 hours of self-study per compliance year.

Andy Kerr moved for approval of the proposed changes to the MCLE Rules concerning electronic notification and self-study hours; Larry Boyd seconded. Motion carried. [Exhibit H]

N. Supreme Court Liaison: Justice Phil Johnson reported that Office of Court Administration had gathered statistics on how electronic filing is working around the state. The Court has adopted the amendments to the rules for International Law Practice admissions. On behalf of the Court, Justice Johnson thanked the third-year directors for their service.

O. Court of Criminal Appeals Liaison: Judge Michael Keasler reported that the *Actual Innocence - "On The Road"* DVD featuring Brady issues has been updated to include the Michael Morton Act.

P. Federal Judicial Liaison: Judge Ron Clark reported that there are nine judicial vacancies in Texas at the district level. He also welcomed incoming federal judicial liaison Judge Ed Kinkeade.

Q. Judicial Section Liaison: Judge Penny Roberts reported that the Judicial Section Board meeting will be held the following day, and their annual meeting will be in Fort Worth in September. She also thanked the Board for the opportunity to serve.

R. Executive Director: Michelle Hunter thanked the Board for allowing her to continue to do the job of State Bar Executive Director, and thanked the Insurance/Member Benefits subcommittee for their hard work this year. She reported on the merit award recipients for the 2013-14 Continuous Improvement Process. Hunter noted that voluntary contributions from the Board for Access to Justice funding is at \$6,520. She presented Jerry Phillips in TexasBarCLE with the Employee of the Quarter award.

There being no further business, the meeting was adjourned at 4:13 p.m. [**Exhibit I**]²

¹ **Exhibits A through I** are available at www.texasbar.com/bodcentral under Meeting Agendas and Minutes.

² **Exhibit I** is the State Bar Committee and Section End of Year Reports and is for information only.