

**OFFICIAL MINUTES  
STATE BAR OF TEXAS  
BOARD OF DIRECTORS MEETING  
Hilton Anatole  
Dallas, TX  
Wednesday, June 21, 2017**

The Board of Directors of the State Bar of Texas met in a regular session on June 21, 2017 at the Hilton Anatole in Dallas. Chair of the Board Joe Escobedo, Jr. 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. Andrew Tolchin delivered the invocation and Rehan Alimohammad led the pledges to the U.S. and Texas flags.

***Present:***

**Board Members:** Rehan Alimohammad, Immediate Past President Allan DuBois, Barbara Bass, Micah Belden, Amy Bryan, Jeff Chandler, Immediate Past Chair of the Board David Chamberlain\*, Estrella Escobar, Chair of the Board Joe Escobedo, Jr., Laura Gibson, Ricky Gonzalez, August Harris, Angelica Hernandez, Rice Horkey, TYLA President Sam Houston, Joe Indelicato, Jr., John Jansonius, Sarah Clower Keathley, Mary Abbott Martin, Rudolph Metayer, Brian Miller, Gary L. Nickelson, Curtis Pritchard, TYLA President –elect Baili B. Rhodes, Lisa S. Richardson, Ruben S. Robles, Fidel Rodriguez, Jr., Scott Rothenberg, Gregory W. Sampson, Lance D. Sharp, Scott Sherwood, Rebecca Simmons, Scott P. Stolley, President Frank Stevenson, TYLA Immediate Past President C. Barrett Thomas, Andrew Tolchin, Travis Torrence, President-elect Tom Vick, Bradley C. Weber, Michael J. Wynne.

**Liaisons\*:** Justice Phil Johnson, Tim Mountz, Judge Nelva Gonzalez Ramos, Judge Kerry Russell

**Section Representatives\*:** Erich Birch, Wendy Burgower, Philip Mack Furlow, Tina Green, Pat Maher,

***Excused Absences:*** Christy Amuny, Alan Carmichael, Leon Carter, Sylvia Firth, Ann Greenberg, Judge Barbara Hervey\*, Audrey Moorehead\*, Christopher Oddo

(\* = nonvoting)

**I. CONSENT AGENDA ITEMS**

**Upon motion properly made by Gary Nickelson and seconded by Barbara Bass, the following items from the Consent Agenda were approved:**

**A.** The minutes of the April 21, 2017, Board meeting, as amended.

**B. C2. ITEMS FROM THE 2016-17 PRESIDENT:**

Approval of appointments to the following entities:

**A. Law Focused Education, Inc.,** for two-year terms effective June 1, 2017, through May 31, 2019:

**Hector Andrew Beltran (El Paso)  
Beverly Nolan (Houston)  
Kathy S. Uhlich (Highland Village)**

**C3. ITEMS FROM THE 2017-18 PRESIDENT:**

Approval of appointments to the following entities:

- A. Section Representatives to the Board Committee**, for three-year terms effective Annual Meeting 2017, through Annual Meeting 2020:

**Elizabeth Copeland (Large-Sized Section, San Antonio)**  
**Shelby Jean (Medium-Sized Section, Lubbock)**

For a one-year term effective Annual Meeting 2017 through Annual Meeting 2018:

**Audrey Moorehead, (Dallas) Chair**  
**Philip Mack Furlow, (Lamesa) Vice-Chair**

- B. Texas Bar College**, for three-year terms effective June 1, 2017, through May 31, 2020:

**Al Harrison (Houston)**  
**Michelle Hunter (Austin)**  
**Hon. Roy Graham Quisenberry (Weatherford)**  
**Jessica Phillips (Bedford)**  
**Hon. Cori Harbour Valdez (El Paso)**  
**Hon. Meca Walker (Houston)**

- C. Texas Access to Justice Commission**, for three-year terms effective June 1, 2017, through May 31, 2020:

**K. Nicole Voyles (Houston)**  
**Jenny Smith (Austin)**

- D. Texas Access to Justice Foundation**, for three-year terms effective September 1, 2017, through August 31, 2020:

**Pete Gallego (Alpine)**  
**Roland Johnson (Fort Worth)**

- E. Texas Board of Legal Specialization**, for three-year terms effective July 1, 2017, through June 30, 2020:

**J. Brett Harrison (Tyler)**  
**Laura Sharp (Austin)**  
**Alton Todd (Friendswood)**  
**Kristal C. Thomson (San Antonio)**

- F. 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 2017 through the adjournment of Annual Meeting 2020:

**Bar Journal Board of Editors**  
 Alison Colvin (Brownsville)

**Child Abuse and Neglect**  
 Tabitha Charlton-Member (Houston)

**Continuing Legal Education**

Roger Key-Member (Lubbock)

**Court Rules**

Giana Ortiz-Member (Arlington)

Kennon Wooten-Member (Austin)

**MCLE**

James Clancy-Member (Corpus Christi)

Stacy Lee Little- Member (Houston)

Carole Jean Powell-Member (El Paso)

John Hatchel-Member (Woodway)

**Pattern Jury Charges-Criminal**

Zackery Wavrusa-Member (Henderson)

**Pattern Jury Charges-General Negligence**

Rebecca Vela-Member (Edinburg)

**Members Serving on Multiple Committees**

Kirsten M. Castaneda (Dallas)

Ann Y. Collins (Fort Worth)

Eva Eakin (Austin)

Martie Y. Garcia (Garciasville)

Al Harrison (Houston)

John Alex Huddleston (San Antonio)

Vinh Ho (Houston)

Tim Riley (Houston)

For one-year terms effective on the adjournment of Annual Meeting 2017 through the adjournment of Annual meeting 2018:

**Bar Journal Board of Editors**

Sally Pretorius Hodge-TYLA President-elect (Dallas)

**ABA Annual Lawyers Assistance Program**

Sakina Rasheed-Chair (Dallas)

Victoria Mather-Vice Chair (San Antonio)

**Texas Disciplinary Rules of Professional Conduct**

David Ortega-Vice Chair (San Antonio)

**C4. OTHER ITEMS:****A. Nominating Committee to Select ABA Delegates (*Chair Allan K. DuBois*)**

Approval of appointment of SBOT delegates to the American Bar Association House of Delegates, for two-year terms expiring at the adjournment of the 2019 ABA Annual Meeting:

**Joe K. Longley (Austin)**

**Jay Ray (Plano)**

**Frank Stevenson (Dallas)**

**B. Approval of Resolution honoring: [TAB A] <sup>1</sup>**

**Michelle Hunter (Austin)**

**II. REPORTS**

**A. Report from the Chair of the Board:** Chair of the Board Joe Escobedo thanked the board and staff for their hard work during his term as chair. He reported that there were director presentations in 16 different districts this year. Mr. Escobedo discussed the responsibilities of a director. He then announced the recipient of the Outstanding Third-Year Director award, John Jansonius. Through Mr. Jansonius's service, the Private Insurance Exchange exceeded all annual enrollment projections, and non-dues revenue collected through the member benefit program, as a whole, more than doubled. Mr. Jansonius thanked the board.

**B. Report from the President:** President Stevenson reported that he attended over 120 separate events this year. He reported that SB 416, relating to the composition of the board of directors, was approved by the Legislature and was effective June 15, 2017. The new law requires the State Bar president to appoint four at-large directors, subject to confirmation by the board. He thanked KaLyn Laney for her work throughout the Sunset process.

President Stevenson reported that the State Bar's Texas Opportunity & Justice Incubator, or TOJI, was successfully launched in April. TOJI is the first legal incubator designed exclusively for Texas-licensed lawyers who want to build sustainable practices that serve low- and modest-income Texans. He thanked Justice Phil Johnson, chief justice Nathan Hecht, Justice Eva Guzman, Michelle Hunter, Paul Rogers, and Anne-Marie Rabago.

President Stevenson reported that he served on the Commission to Expand Civil Legal Services, and was asked by the chief justice to evaluate and advance some of the Commission's recommendations. Changes to the lawyer directory on texasbar.com are being implemented. The State Bar's Legal Access Division launched TexasLegalAnswers.org as a free, online legal advice clinic for low-income Texans who need basic legal guidance. A Justice Gap Initiatives workgroup will meet during the Annual Meeting with representatives where they will share information about their organizations' initiatives and discuss ways to coordinate activities that address the justice gap. The workgroup intends to meet regularly going forward.

President Stevenson reported that he worked with Linda Acevedo on presenting a change to the Commission for Lawyer Discipline. It's a change that will better ensure that complainants think carefully about their allegations before commencing that the grievance process, without discouraging the filing of bona fide complaints.

President Stevenson reported on the quality and quantity of the feedback he's received in response to his president's opinions. He received over a hundred emails and letters regarding each column.

President Stevenson reported that Governor Abbott signed the State Bar of Texas sunset bill, SB 302, and it will take effect on September 1. SB 302 continues the State Bar for 12 years, and preserves the self-regulation right of Texas lawyers. The sunset bill also retains the rules referendum vote of State Bar members, and requires a referendum for any dues increase except one not exceeding 10 percent, no more frequently than every six years. The State Bar has not raised dues in 27 years and no increase is contemplated. The bill limits the original Sunset Commission recommendation concerning fingerprint-based background checks for Texas attorneys, making it strictly prospective. Fingerprints will not be required from currently licensed lawyers. The Board of Law Examiners already obtains fingerprint-based criminal history information for bar examinees. The Sunset bill also makes enhancements to the grievance process and requires the Office of the Chief Disciplinary Counsel to report statistics and other information on barratry. He thanked the Sunset Advisory Commission and its staff and the

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<sup>1</sup> Tab A is available at [www.texasbar.com/bodcentral](http://www.texasbar.com/bodcentral) under Meeting Agendas and Minutes.

State Bar staff (especially Assistant Deputy Director KaLyn Laney) and volunteer leadership (especially Sunset Committee Chair Trey Apffel). Mr. Stevenson also thanked Senator Kirk Watson and Representative Senfronia Thompson.

President Stevenson presented a resolution on behalf of the board to Executive Director Michelle Hunter.

**President Stevenson moved that the Board support ABA Resolution 120 regarding discharge upgrade processes and assistance for military veterans. [TAB 1]<sup>2</sup> Motioned carried.**

1) **Closed Session:** At 2:16 p.m., Chair Escobedo announced that the board of directors would meet in closed session as authorized by Texas Government Code, Section 551.074 for the purpose of discussing the evaluation, duties, and compensation of the executive director and the appointment of an interim executive director.

2) **Open Session:** Upon return to open session at 2:38 p.m., Chair Escobedo announced that only matters relating to the evaluation, duties, and compensation of the executive director and recommendation regarding the appointment of an interim executive director were discussed.

**In open session, President Frank Stevenson moved for approval of the recommendation discussed in closed session of a 3.5% salary increase for Executive Director Michelle Hunter, to be paid in a one-time payment of \$10,000.00 at the end of her employment term, August 31, 2017. Joe Indelicato seconded. Motion carried. President Frank Stevenson made a second motion regarding the appointment of John Sirman, as interim executive director, starting September 1, 2017, with the compensation of \$17,000.00 per month while serving as interim executive director; John Jansonius seconded. Motion carried.**

C. Report from the President-elect: President-elect Tom Vick reported that the budget was presented to the Supreme Court of Texas on May 15. The Court signed the order approving the budget on June 6, 2017. Mr. Vick reported that the ED Search Committee met in April, and decided to hire the search firm Young Mayden. The Committee has approved a job description which can be found on the Bar's website. Young Mayden has spoken with committee members and interviewed key staff members. The committee has received over 80 inquiries and resumes of interest in the position. The committee will interview candidates in August and will recommend a candidate at the September meeting for the board's consideration.

**President-elect Tom Vick moved to add Joe K. Longley as a member of the ED Search Committee; Andrew Tolchin seconded. Motion carried.**

D. Report from the Immediate Past President: Immediate Past President Alan K. DuBois thanked President Frank Stevenson and Executive Director Michelle Hunter. He also thanked his wife, Pam, for her support during his term, and thanked the board and the State Bar staff. He stated that it has been both an honor and humbling to represent the State Bar of Texas as president.

E. Nominations & Elections Subcommittee: Immediate Past Chair David Chamberlain reported that Joe Longley of Austin was elected president-elect of the State Bar after defeating candidate Chad Baruch of Dallas in a run-off election conducted May 11 - 25. There was an increased participation in both the election and the run-off. For the election, 27,527 attorneys voted, which is a return rate of 27.41%. For the run-off 30,250 people voted, a return rate of 30.13%. It cost the State Bar an extra \$68,805 to conduct the runoff, consisting of postage, printing costs, and election vendor services.

Mr. Chamberlain reported that in this election cycle, 10 new district directors were elected. Out of those 10 positions, five of them were contested races, and the remaining 5 board member positions were unopposed. In one

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<sup>2</sup> Tabs 1 through 7 are available at [www.texasbar.com/bodcentral](http://www.texasbar.com/bodcentral) under Meeting Agendas and Minutes.

of the district races in Houston, District 4 Place 4, there were three candidates running for director. The runoff election was won by Dinesh Singhal. [TAB 2]

Mr. Chamberlain reported that Section 2.01.14 of Board Policy specifies that the allotment per candidate for a three way president-elect race is \$10,000, which is not adequate to cover this year's campaign expenditures. He noted that they are not asking for a change in board policy at this time on the reimbursement amount.

**Chamberlain moved that that Board approve raising the campaign expenditure allotment to a total amount \$25,000 for each 2017 president-elect candidate; Jansonius seconded. Motion carried.**

F. Commission for Lawyer Discipline/Chief Disciplinary Counsel Update: John Neal gave a summary of the year and reported on complaints resolved, attorney's fees collected, ethics helpline calls, online requests for CDC certificates, grievance committees and sanctions issued. [TAB 3]

G. Texas Young Lawyers Association: TYLA President Sam Houston reported that Baili Rhodes will be 2017-18 TYLA president and that Sally Pretorius will be the 2017-18 president-elect. He reported on TYLA public service projects this year (Sexual Assault Survivors Rights Guide and You Can Be A Lawyer Too) and thanked Estrella Escobar for her help. He also thanked the officers and urged the board to use its resources to change the world for the better and to be "impactful. "

H. Audit and Finance Committee: Barbara Bass reported that as of April 30, the financials show that the State Bar is doing well 11 months into the current fiscal year. As of April 30, the general fund actual net revenues over expenditures and transfers totaled approximately \$2.3 million. It is estimated that Bar will end the year with around \$2M in excess fund balance. Also revenues exceeded budget in investments, CDC disciplinary fees, and MCLE fees. At the end of April, the general fund had a positive actual to budget net variance of approximately \$1.5 Million. The audited financial statements for FY 2016-2017 will be available in November. The fiscal year 2016-2017 financial audit will be conducted by RSM. The fiscal year 2016-2017 internal audit will be conducted by Maxwell Locke & Ritter. Both the financial audit report and the internal audit report will be presented to the Audit & Finance Committee, the Executive Committee and the board during their respective January 2018 meetings. [TAB 4]

I. Client Security Fund Subcommittee: Rice Horkey thanked the members of the Client Security Fund subcommittee, and reported that the subcommittee paid out \$980,114.40 this year, with a remaining balance of \$2,583,690.00. On June 1, 2017, the fund was replenished, with a starting balance of \$2,883,690.00, and a \$2 million corpus.

J. DCAAP Subcommittee: Tina Green reported that the subcommittee has been looking at the two Annual Meeting resolutions from last year, regarding the sale of a law practice and retention of client files. She noted that creating new disciplinary rules would be necessary. The committee met on May 31 to review a report submitted by the Texas Disciplinary Rules of Professional Conduct Committee that contained background information on things to consider when a lawyer sells a law practice. The subcommittee asked the Law Practice Management Committee to develop educational materials and practice tips based on the report. Next year, the DCAAP Subcommittee will also look at developing some of these practice tips into official commentary to rules. Tina Green thanked the Disciplinary Rules Committee and the Law Practice Management Committee for their help and thanked Jimmy Brill.

K. Member Services and Education Committee: Tina Green reported that orientation for new directors was completed that morning, and thanked the subcommittee and staff for their work.

L. Professional Development Subcommittee: Joe Indelicato reported that Texas Bar Books' projected gross revenue for FY 16-17 is \$3.3 million, resulting in net revenue of \$56,000 and a projected positive variance from the FY 16-17 budget of approximately \$100,000. As of May 2017, four practice manuals have been launched in

the TexasBarBooks Online platform: the *Texas Family Law Practice Manual*, the *Texas Real Estate Forms Manual*, the *Texas Guardianship Manual*, and the *Texas Collections Manual*. TexasBarBooks has earned gross revenue for the year of approximately \$120,000 from more than 600 paid subscribers. The TexasBarBooks scholarship program awarded content with a retail value of \$44,832 to 80 recipients during FY17.

M. Insurance/Member Benefits Subcommittee: John Jansonious reported that the number of major medical enrollments increased by 28%. The number of individuals enrolled in one or more insurance products through the exchange increased by 13%. The 2017 Private Insurance Exchange (PIE) Customer Satisfaction Survey indicated that the marketplace is continuing to have an adverse impact on our members. In response to feedback received, Member Benefits, Inc. plans to hire additional staff during open enrollment and modify its website to streamline the enrollment process. This year, non-dues revenue collected through the member benefit program totaled \$887,900, or a \$504,897 increase from last fiscal year. This increase was largely due to \$434,000 from service and license agreements for the PIE. This year, eight additional benefits were added to the program. Changes for next year include: a discounted web design platform for our members; the beginning of the request for proposal (RFP) process for a professional liability PLI carrier; and the exploration of additional law practice management resources.

N. Technology Oversight Subcommittee: Rebecca Simmons reported that online access to letters of good standing was launched and has proven successful. She reported that the SBOT staff will begin its security training program this month. She also reported that the process has begun to replace all of the phone systems in the Chief Disciplinary Counsel regional offices as well as replacing equipment for the Law Center's video conferencing system. Ms. Simmons reported that performance testing is continuing on the new Minimum Continuing Legal Education tracking system. [TAB 5]

O. Affordable Legal Services Subcommittee: Estrella Escobar reported that House Bill 1020, which recently passed as part of the State Bar's legislative package, changed the State Bar Act to allow inactive attorneys to provide pro bono services according to rules promulgated by the Supreme Court for volunteer practice. The State Bar Rules updates start with this Board and are then sent to the Supreme Court for consideration and adoption. Proposed new Article XIII of the State Bar Rules creates a streamlined volunteer attorney pro bono program for volunteer practice. The new rules will replace rules for the under-utilized existing volunteer program. Under the new program, inactive attorneys will have an opportunity to provide pro bono services under the supervision of approved legal services providers according to policies and procedures created by the State Bar. [TAB 6]

**Estrella made a motion that the Board adopt the proposed new Article XIII of the State Bar Rules. No second was needed; motion carried.**

P. Legislative Policy Subcommittee: Gary Nickelson thanked the committee and reported on the number of bills submitted to legislation, the sunset process, the 85<sup>th</sup> legislative session, this year's special session, and the number of bills that passed. He thanked the members of the Legislative Subcommittee for their hard work and diligence.

Q. Section Representatives to the Board Committee: Pat Maher reported that the sections have been busy this year providing CLE. He welcomed the committee successors, Elizabeth Copeland and Shelby Jean, and thanked current members Wendy Burgower, Philip Mack Furlow, and Audrey Moorehead.

R. Supreme Court Liaison: Justice Phil Johnson reported on various Court matters including landlord/tenant forms, post-trial parental rights of termination, the task force on the state bar exams, TOJI, and the Access to Justice Commission. This year, the legislature has tasked the Court with 8 different areas to look at with the State Bar.

S. Federal Judicial Liaison: Judge Nelva Gonzalez Ramos reported on 11 district court vacancies, no new nominations, CHU's, how new administrative changes are affecting the docket, and welcomed Judge Amos Mazzant.

T. Judicial Section Liaison: Judge Kerry Russell reported that the legislature did not approve a pay raise. He further reported that House Bill 25 eliminating straight party voting may be challenged, and reported on SB 1893 (redistricting administrative judicial regions).

U. Out of State Lawyer Liaison: Tim Mountz reported on the composition of the out of state lawyers: race, gender, number of years licensed, private practitioners versus in house counsel, and board certifications in state and out of state. He noted that income is higher for out of state attorneys by occupation in almost every category compared to in-state lawyer.

V. Executive Director: Michelle Hunter recognized Chris Ritter of TLAP as "Employee of the Quarter" She noted that public member August Harris was called for a Senate confirmation hearing and that he did well on questioning.

W. Legal Counsel report:

1) **Closed Session**: At 4:31 p.m., the Chair announced that the Board of Directors would meet in closed session as authorized by Texas Government Code, Section 551.074 for the purpose of consultation with legal counsel.

2) **Open Session**: Upon return to open session at 4:41 p.m., Joe Escobedo announced that no action was taken in closed session and that only matters related to consultation with Legal Counsel were discussed.

There being no further business, the meeting was adjourned at 4:45 p.m. [TAB 7] [TAB 8]

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<sup>1</sup> Exhibits A available at [www.texasbar.com/bodcentral](http://www.texasbar.com/bodcentral) under Meeting Agendas and Minutes.

<sup>2</sup> Exhibits 1-7 are available at [www.texasbar.com/bodcentral](http://www.texasbar.com/bodcentral) under Meeting Agendas and Minutes.