OFFICIAL MINUTES
STATE BAR OF TEXAS
BOARD OF DIRECTORS MEETING
Austin, Texas
April 26, 2002

The Board of Directors of the State Bar of Texas met in a regular session on April 26, 2002 at the Hilton Airport, Austin, Texas. The meeting was called to order at approximately 9:00 a.m. by Chair Vidal G. Martinez, and the roll was called by Executive Director Antonio Alvarado. A quorum of voting Board members was present. The following Board members were unable to attend the Board meeting and were extended excused absences: Kim J. Askew, Ophelia F. Camina, Jennifer G. Durbin, Andrew S. Hanen, John Stanley Mayfield, Melinda McMichael, and Velva Price. Guests included Sunset Commission member Vanessa Gonzalez.

1. SWEARING OF NEW BOARD MEMBERS

Chair Vidal Martinez introduced the new Board member: Terri L. Hagan (District 1 - Collin). Terri L. Hagan was sworn in by Justice Craig T. Enoch and presented with the customary gift.

2. ITEMS FROM THE CHAIR OF THE BOARD

A. Approval of Items on the Consent Agenda

Upon motion properly made and seconded, the following items on the Consent Agenda were approved:

1) Minutes of Board meeting conducted on *January 25, 2002*

2) Ratification of actions taken by the Executive Committee at the meeting(s) conducted on --

> ***March 14, 2002:*** Approved minutes of the January 10, 2002 Executive Committee meeting; electronic advertising policy (w/changes), Pro Hac Vice proposal (w/changes), HB 1712 Guidelines, MCLE insert, Directors and Officers insurance policy renewal, Liability Insurance policy renewal, Board policy regarding exhibitors at CLE seminars; Investment policy, BOD Policy Manual, Part X, Subsection 10.05
>
> ***April 18, 2002:*** Approved minutes of the March 14, 2002 Executive Committee meeting.

3) Presidential appointments to the following entities:

a) **Advocacy, Inc.:**

1) for a three-year term effective May 2, 2002 through April 30, 2005
Angela Washington (Dallas)

b) **Commission for Lawyer Discipline:**
For terms September 1, 2002 through August 31, 2003:

Chair: **Scott Rozzell (Houston)**
Vice Chair: **Tim Sulak (Austin)**

For three-year terms September 1, 2002 through August 31, 2005:
Al Ellis (Dallas)
Mark White (Amarillo)

c) **Law Focused Education, Inc**:

For two-year terms effective April 2002:
Dr. Mary Black (Austin)
Rhonda Haynes (Austin)
Samuel Milledge (Houston)
Cindy Polinard (McAllen)
Cheryl Wright (Austin)

d) **Resolutions Committee:**

For terms expiring at the 2002 Annual Meeting:

1) Temporary Committee:
Temp.-chair: SBOT Immediate Past Chair of the Board
- Richard T. Miller (San Saba)
Temp. Vice-Chair: TYLA Immediate Past Chair
- Paul D. Carmona (Austin)
Temp. Secretary: Dallas Bar Assn.
-Mark Sales (Dallas)
Temp. Parliamentarian: Nancy Thomas, President, DBA (Dallas)
Alternate: Molly Steele (Dallas)
Alternate: Mark Shank (Dallas)

2) Review Committee:
Richard T. Miller (San Saba)
George Edwards (Houston)
Georgina Benavides (McAllen)
Dan Boulware (Cleburne)
Elizabeth Lang-Miers (Dallas)
Andrew Strong (Houston)

e) **Texas Legal Protection Plan:**

For three-year terms June 1, 2002 through May 31, 2005:
Nelson M. Jones III (Houston)
Thomas H. Veitch (San Antonio)

4) Items from the President-elect:

a) State Bar committee chairs to serve during the year 2002-03, per State Bar Rules, Art. VIII, Section 1B. ***(See Exhibit A)***

b) Authorization to extend the life of certain special committees, delete some, and change the name of some special committees, per Board policy Subsection 6.01.02C.

Annual Meeting
Pattern Jury Charges - Business, Consumer and Employment
Pattern Jury Charges - Civil

Pattern Jury Charges - Family
Pattern Jury Charges - General Negligence & Motor Vehicles
Pattern Jury Charges - Malpractice, Premises and Products
Technology Advisory Committee

5) Items from Board Committees:

a) Revisions to Board Policy Manual to change the name of the following standing committees: **(*See Exhibit B)***

1) BOD Policy, Part VI, Subsection 6.01.01C:

FROM: History and Traditions of the Bar and Historical Preservation
TO: History and Preservation

2) BOD Policy, Part VI, Subsection 6.01.01C; and Part IX, Subsection 9.04.01A&B:

FROM: Opportunities for Minorities in the Profession
TO: Racial Diversity in the Profession

3) BOD Policy, Part X, Subsection 10.05.04, 10.05.06 and 10.05.08

To include U.S. Treasury Securities and Federal Agencies, Investment Concentrations and other changes throughout

6) Items from Committees, Sections/Divisions:

a) Bylaws for the Section of **Antitrust and Business Litigation (*See Exhibit C)***

b) **Family Law Section**'s request to hold its annual section meeting on May 9, 2002, instead of during the State Bar's June 2002 Annual Meeting (Dallas) **(*See Exhibit D)***

7) Other Items:

a) **HB 1712 Guidelines**

b) TYLA President Amos Mazzant's appointment of sergeants-at-arms to serve at 2002 Resolutions Committee:

(All appointees are from Dallas.)

Rob Crain	**Matthew B. Johnson**	**Tamy Reno**
Karin R. Crump	**David R. McAtee II**	**Robert J. Witte**

c) Recipients for the pro bono awards to be presented at the Annual Meeting: **(*See Exhibit F)***

1) **Pro Bono Award: Bexar County Women's Bar Association and Foundation (San Antonio)**
2) **Frank J. Scurlock Award: Robert H. Etnyre, Jr. (Houston)**
3) **The J. Chrys Dougherty Legal Services Award: ileta Sumner (San Antonio)**
4) **W. Frank Newton Award:**
Texas Appleseed (Austin)
Houston Legal Department of Exxon Mobil Corporation (Houston)

d) Recipients for the Nancy Garms Memorial Award to be presented at the Annual Meeting:

Barry N. Beck (Midland)

e) Courtesy resolutions for 2002 Annual Meeting ***(See Exhibit G)***

B. Chair of the Board Election, 2002-2003

After voting by a show of hands, Chair Vidal Martinez announced that Charles Schwartz had been elected to serve as Chair of the Board, 2002-2003. The other candidates were Dan Boulware and Luther Soules.

3. REPORT AND ACTION ITEMS FROM THE PRESIDENT

Upon motion by Gary Reaves and seconded by Amos Mazzant, the appointment of Vianei Lopez Robinson as Minority Member to the Board of Directors, for a three-year term, effective Annual Meeting 2002 and expiring Annual Meeting 2005, was approved.

4. REPORT FROM JUDICIAL LIAISONS

Justice Craig T. Enoch, Supreme Court Liaison, reported on the process of the Sunset hearing. Justice Enoch also report on the current activities of the Supreme Court which included visits to high schools and law schools, and that a task force had been created to study controversial rules and develop solutions.

Judge Sharon Keller, Court of Criminal Appeals Liaison, reported on the Indigent Defense Task Force which had adopted emergency grant rules, created a grant application kit, and created a Policy and Standard Committee to begin working on the minimum requirement for Defense Attorney Training.

Judge John H. Hannah, Jr., Federal Judicial Liaison, reported that he would attempt to make the rules of the four federal districts more uniformed and had solicited support from the Bar to help the process get underway. Effective May 1, 2002, the panel attorneys and the court appointed attorneys for criminal cases in the federal system would receive an increase from $40 out-of-court/ $60 in court to $90 in court/out-of-court, which would be helpful in obtaining the type of representation that indigents need when accused of a federal crime.

Judge Mark D. Atkinson, Judicial Section Liaison, reported on the following: 1) SB7, Criminal Indigent Defense, 2) education programs and joint programs with the county and district courts, 3) uniform county court judges pay; 4) uniformity of fees across the counties, 5) Plan II reform, 6) district judges retirement reform, and 7) access to justice.

5. REPORT FROM SECTION REPRESENTATIVES TO THE BOARD COMMITTEE

Vianei Lopez Robinson reported on the Council of Chairs, the structure of the Council of Chairs, the process being considered to address the lack of institutional memory, and the relationship of Board advisors with the sections. Robinson also reported that Council of Chairs Chair David East is appointing a task force to draft a mission statement for the Council of Chairs and a list of issues that they should be working on. Comments are welcomed and should be forwarded to Robinson. Robinson

announced the two new section representatives that would fill the vacancies: Mark Murdock (Corp Counsel Section, large -sized sections) and Suzanne Duvall (ADR Section, medium-sized sections.)

6. REPORT FROM EXECUTIVE DIRECTOR

Executive Director Antonio Alvarado reported on the following: Sunset process, technology, salary review, strategic planning, electronic advertising policy, pro hac vice, MCLE insert, Texas Law Center repairs, financial performance of the Bar, May 6 budget hearing before the Supreme Court, President-elect and district director elections (deadline on April 30; results announced May 1), dues statement, Annual Meeting, New Director's Orientation, Resolutions Committee, free probate services to military, office leases, and the Book Fund policy.

7. REPORT FROM BOARD COMMITTEES

Status reports were heard from the following Board committees:

***A. Administrative Oversight* (Gary Reaves) - Reaves reported on the status of *MyTexasBar.com*. Contractual issues are being reviewed and the process to improve the website is underway. Administrative Oversight Committee had been charged with the responsibility of evaluating the Executive Director each year and will use the same process and form used in previous years. The form would be mailed to each Director within the next few weeks.**

On behalf of the Administrative Oversight Committee, Gary Reaves, under separate motions, moved approval of the following items: 1) electronic advertising policy, 2) MCLE proposal, 3) Directors and Officers insurance policy and Liability Insurance policy renewals, and 4) Board policy regarding exhibitors at CLE seminars. All motions passed. (See Exhibits H, I, J, K, and L.)

On behalf of the Administrative Oversight Committee, Charles Schwartz moved approval of the Pro Hac Vice proposal to be forwarded to the Supreme Court for its consideration. Motion passed. (*See Exhibit M.)*

***B. Appeals-Grant Review* (Harper Estes) - Harper Estes reports that the appeal received from** Randy Browne (Houston), regarding non-accreditation of the 2001 Houston Landman's Institute**, had been withdrawn by the appellant.**

On behalf of the Appeals-Grant Review Committee, Harper Estes moved Board approval that the appeal by Kenneth O. Kreis be sustained and to <u>overturn</u> the decision of the MCLE Committee. The motion carried. (*See Exhibit N.)*

Estes also reported that the Appeals-Grant Review Committee had approved submission to the Texas Bar Foundation the following grant application:

Texas Mediator Credentialing Association (TMCA)
($15,000 - Sponsor, State Bar Alternative Dispute Resolution Section)

***C. Audit & Finance* (Gib Walton) - Walton reported that total revenues were up four percent favorable with a positive general variance of $600,000.**

On behalf of the Audit & Finance Committee, Walton moved under separate motions Board approval of the following:

1) **list of qualified brokers**
2) **raising asset capitalization threshold to $5,000**
3) **Receipt of the Quarterly Investment report**
4) **Amendment to the Investment Policy, BOD Policy Manual, Part X, Subsection 10.05**

The motions carried. (*See Exhibits O,P, Q, and R.*.)

D. ***Budget*** **(President-elect Guy Harrison) - President-elect Harrison gave a report on the 2002-2003 budget.** Since the publication on the *Bar Journal,* a public hearing was held in Austin. The budget was reviewed and no concerns were raised. The budget would be presented to the Supreme Court on May 6.

On behalf of the Budget Committee, President-elect Harrison moved that the SBOT 2002-2003 budget be approved for presentation to the Supreme Court on May 6. The motion carried. *(See Exhibit S.)*

E. ***Client Security*** **(John Miller) - Miller gave a brief update on Client Security funds.**

F. ***Disciplinary/Disability System Oversight*** **(Mark D. White) - White reported on the Client Attorney Assistance Program, which began answering the grievance information hotline in September 1999, has had over 48,000 contacts. The Board had authorized CAAP to operate statewide. CAAP began answering the San Antonio Grievance Information Hotline on April 26, 2002 and plans to answer the Houston hotline on May 15. At that point CAAP would be operating statewide. CAAP anticipates an additional 75 calls a day. Offices had recently been renovated to accommodate nine additional employees, and computer systems had been updated.**

G. ***Facilities & Equipment Committee*** **(Mark D. White) –** White reported that the Facilities and Equipment subcommittees have been working on the following issues: 1) Texas Law Center 1st floor renovations, 2) utility, 3) parking, 4) safety and security - (Risk Management Review conducted in August 2001 resulted in a rating of 4. Recent review has resulted in a rating of 7.1, which reflects an improvement on Safety and Security measures), and 5) Law Center Fund strategy. White also reported that Commercial Texas has submitted a proposal for consideration by the Bar to develop a strategic plan (short-term and long-term) regarding the administration of all real estate holdings.

On behalf of the Facilities and Equipment Committee, Mark White moved approval of the leases in El Paso, Midland and Corpus Christi. The motion carried. *(See Exhibit T.)*

H. ***Legal Services*** **(Dan Boulware) – Boulware gave a report on the dues statement, Senate Bill 7, and the role of Board committees regarding legal services.**

I. ***Legislative Policy*** **(Kent Sullivan) - Sullivan reported on the status of UPL. On March 22, correspondence went out via email and mail requesting input/comments from interested parties on UPL. The request would also be published in the May issue of the *Texas Bar Journal*. The final report would be presented at the June Board meeting.**

J. ***New Director's Orientation (*****Gina Benavides*****) – Benavides reported that the New Director's Orientation had been moved to the annual meeting in order to streamline expenses. The orientation would be conducted on Wednesday, June 12, from 8:00a-12:00p. The committee had decided to implement a Bar buddy system. All new Board members would have a Bar buddy assigned**

to them who would serve as mentors to the new directors.

K. ***Policy Manual*** **(Jarvis Hollingsworth) -** Jarvis Hollingsworth reported on the informal process historically used regarding evaluations for the Executive Director **and the Chief General Counsel**. The Policy Manual Committee, with the assistance of the Administrative Oversight Committee, would review the process and develop a formal policy to include a records retention policy. **The committee anticipates presenting a proposal at the June Board meeting.**

Hollingsworth also reported on the Book Fund policy. CLE had developed a number of resolutions and proposed a joint committee comprised of four PDP and CLE members who shall come together to discuss resolutions, the 25% administrative fee imposed by the State Bar, policy on moving funds, and the language in the original trust allowing funds for electronic distribution and publication. Jarvis suggested creating a subcommittee, which would be chaired by Board member Blair Bisbey to foster this process and provide a recommendation to the CLE Committee in early May and present to the Policy Manual Committee. This process should lead to a final Book Fund resolution, which would be presented at the June Board meeting.

Hollingsworth reported that adoption of the Strategic Plan would require revisions to the Policy Manual to include the Strategic Plan language.

L. ***Professional Development (*****Steve Suttle*****) – Suttle reported on the status and finances of PDP, the CLE website (which provides on-line classrooms; 18 programs; on-line library services; a civil and criminal digest and is now equipped to handle e-commerce credit card purchases). Suttle also reported on the Texas Bar CLE Sunset Review report and the Book Fund resolution that the Policy Manual Committee was working on to include as Board policy.**

On behalf of the Professional Development Committee, Steve Suttle under separate motions moved approval of the following items:

a) Free online CLE for judges
b) Expenditures from book Fund for publication costs for the following:
I. "THE POWER OF THE STORY" by Jim Perdue ($167,880; see Financial Impact Report)
ii. "TEXAS PERSONAL INJURY PRACTICE", editor, Howard Nations ($202,750; see Financial Impact Report)
iii. Revision of "TEXAS PROBATE SYSTEM", James Brill ($201,000; see Financial Impact Report)

The motions carried. ***(See Exhibits U and V.)***

M. ***Strategic Planning*** **(Elizabeth Lang-Miers) - Lang-Miers reported on the Strategic Plan.**

On behalf of the Strategic Planning Committee, Elizabeth Lang-Miers moved approval of the Strategic Plan and implementation. The motion carried. ***(See Exhibit W.)***

N. ***Sunset Review*** **(Gib Walton) - Walton reported on the Sunset process and hearing. The deadline for the submission of additional material was May 8. The decision hearing was scheduled for June 25 - 26. Walter stated that the Sunset process had been a positive learning**

experience and that he was convinced that the Bar will emerge from the Sunset process as a stronger Bar.

***O. Technology Oversight (*Steve Suttle) - Suttle reported on the status of the membership database, Technology Oversight Committee Review request, Dell leases, and the Computer Services 2001-2002 budget issues.**

On behalf of the Technology Oversight Committee, Steve Suttle moved approval of the technology infrastructure expenditures. The motion carried. *(See Exhibit X.)*

8. OTHER REPORTS/ACTIONS

A. Commission for Lawyer Discipline

Commission Vice Chair Tim Sulak reported on the budget ($165,000 favorable) and the status of the salary survey.

B. Texas Access to Justice Commission (TAJC)

Reporting in TAJC Chair John Jones' absence, Justice Enoch summarized the status of the TAJC, reorganization throughout Texas, IOLTA accounts, and the effect of the dues statements on funding for TAJC.

C. TYLA President

President Amos Mazzant reported that TYLA's next BOD meeting would be in South Padre the weekend of May 4. Mazzant also reported on the following: Gift of Life project, the National Trial Competition finals held in Austin (two schools from the northwest made the finals), and the success of the Junior Judges project. The program had been adopted to go nationwide next year.

D. Out-of-State Lawyer Liaison

Liaison Turner W. Branch requested that the Board give some consideration to allowing the Out-of-State Lawyer Liaison to be a full-fledged Board member having voting rights.

There being no further business, the meeting adjourned at approximately 3:00 p.m.

EXHIBITS ATTACHED

Exhibit A: **State Bar Committees Appointments 2002-03**
Exhibit B: Revisions to Board Policy Manual (name changes for standing committees)
Exhibit C: Byflaws for the Section of Antitrust and Business Litigation
Exhibit D: Family Law Section's request **to hold its annual section meeting on May 9, 2002**
Exhibit E: **HB 1712 Guidelines**
Exhibit F: 2002 State Bar Legal Services/Pro Bono Awards
Exhibit G: Courtesy resolutions for 2002 Annual Meeting
Exhibit H: **Electronic advertising policy**
Exhibit I: MCLE proposal
Exhibit J: Directors and Officers insurance policy
Exhibit K: Liability Insurance policy
Exhibit L: **CLE policy**

Exhibit M:	Pro Hac Vice proposal
Exhibit N:	Kenneth O. Kreis appeal
Exhibit O:	Qualified brokers
Exhibit P:	**Raising asset capitalization threshold to $5,000**
Exhibit Q:	**Quarterly Investment report**
Exhibit R:	Investment Policy
Exhibit S:	SBOT 2002-2003 budget
Exhibit T:	El Paso, Midland and Corpus Christi leases
Exhibit U:	**Free Online Classes to Judges**
Exhibit V:	Expense and Revenue Estimate, "THE POWER OF THE STORY"
	Expense and Revenue Estimate, "TEXAS PERSONAL INJURY LAW TREATISE"
	Expense and Revenue Estimate, "TEXAS PROBATE SYSTEM THIRD"
Exhibit W:	Strategic Plan
Exhibit X:	**Technology infrastructure expenditures**

G:\MINUTES\BD02APRM.WPD