OFFICIAL MINUTES
STATE BAR OF TEXAS
BOARD OF DIRECTORS MEETING
Dallas, Texas
June 12 - 13, 2002

OUTGOING (2001-2002) BOARD - P.M. Session:

The Board of Directors of the State Bar of Texas met in a regular session on June 12 - 13, 2002 at the Wyndham Anatole Hotel, Dallas, Texas. The meeting was called to order at approximately 2:00 p.m on June 12, 2002 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, liaisons and section representatives were unable to attend the Board meeting and were extended excused absences: Amy Halevy, Andrew Hanen, Judge Sharon Keller, Richard Miller, Glenn Perry, President Broadus Spivey, Luther Soules and James Winton. Other guests included Sunset Commission staff.

1. ITEMS FROM THE CHAIR OF THE BOARD

A. Outstanding Third-Year Director

Chair Vidal G. Martinez presented the Outstanding Third Year Director Award to Gary Reaves.

Chair Vidal Martinez reported that Andrew Hanen has been sworn in as Judge for the Southern District of Texas. **Incoming President Guy N. Harrison will appoint Hanen's replacement. Chair Martinez also reported on the Sunset Review, revenue enhancement, strategic plan, section representation, TYLA and financial review.**

B. 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 the Board meeting conducted on *April 26, 2002* with the following amendments: Meeting held in Austin (not El Paso); Item 7.I, Legislative Policy report, should indicate that the correspondence was sent out on March 22 (not May 22).**

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

   May 23, 2002: Approved minutes of the April 18, 2002 Executive Committee meeting.

3) **Presidential appointments to the following entities:**

   a) **College of the State Bar Board**, *for three-year terms effective June 2002 through June 2005:*

      Richard Cruz (Corpus Christi)
      Bobby Dyess (reappointment, Dallas)
      Barbara Nellermoe (reappointment, San Antonio)

Robert Roach (Wichita Falls)
Charles Stowe (Huntsville)
Charles Wilson (Dallas)

b) **Section Coordination Committee**, *for two-year terms effective June 2002 through Annual Meeting June 2004*:

Paula Hinton (BOD, Houston)
Velva Price (BOD, Austin)
Jay Martin (Corporate Counsel Section, Houston)
Clint F. Sare (Computer & Technology Section, Amarillo)

c) **Section Representatives to the Board Committee:**

For three-year terms June 2002 through Annual Meeting June 2005:

Suzanne M. Duvall (Medium-sized Section, Dallas)
Mark L. Murdock (Large-sized Section, Austin)

To complete Ralph Brock's unexpired term through Annual Meeting June 2003:

Demetrius K. Bivins (Small-sized Section, San Antonio)

d) **SBOT Insurance Trust**, *for three-year terms effective July 1, 2002 through June 30, 2005:*

Rodney D. Bucker (Dallas)
Thomas H. Veitch (San Antonio)

e) **Texas Access to Justice Commission**, *for three-year term effective June 2002 through June 2005:*

Betsy Whitaker (Dallas)

f) **Texas Board of Legal Specialization:**

For terms July 1, 2002 through June 30, 2003:

Chair: **Robert Stokes (Austin)**
Vice Chair: **Cynthia Rucker Allen (Abilene)**

For three-year terms effective July 1, 2002 through June 2005:

Helen Foster (Austin)
Thomas Allan Howeth (Fort Worth)
Myron M. Sheinfeld (Houston)

g) **Texas Equal Access to Justice Foundation (IOLTA)**, *for three-year terms effective September 1, 2002 through August 31, 2005:*

Pete Gallego (Alpine)
Judge Lora Livingston (Austin)

4) Approval of appointment of delegates to the American Bar Association House of Delegates for two-year terms beginning at the conclusion of the 2002 ABA Annual Meeting and expiring at the conclusion of the 2004 ABA Annual meeting:

Delegates:

Charles F. Aycock (Farwell)
Broadus A. Spivey (Austin)
Walter L. Sutton (Richardson)
Elizabeth D. Whitaker (Dallas)

5) Approved resolutions honoring Joe H. Tonahill and John T. Adams. ***(See Exhibits A and B.)***

6) Approved Corporate Counsel Section Council's increase in section dues from $10/year to $20/year

7) Approved Health Law Section's increase in section dues from $10/year to $20/year

8) Approved Public Utility Law Section's request to hold its annual section meeting on October 11, 2002, instead of during the State Bar's June 2002 Annual Meeting (Dallas). *(See Exhibit C.)*

9) Approved amendments to bylaws for Section of Taxation of the State Bar of Texas. ***(See Exhibit D.)***

2. REPORT FROM THE PRESIDENT

Chair Vidal Martinez announced that President Broadus Spivey was not able to attend Board meeting due to recent hospitalization and recovery.

3. REPORT FROM THE IMMEDIATE PAST PRESIDENT

Immediate Past President Lynne Liberato gave a farewell speech, commending all members for their hard work and dedication.

4. REPORT FROM THE EXECUTIVE DIRECTOR

Executive Director Antonio Alvarado reported on the following: CLE, *MyTexasBar.com,* annual meeting costs and registrations (approximately 2,500 registrants), exhibitors sponsorship, Dallas Bar Association and their renovation/expansion plans for the Belo Mansion, next year's annual meeting which will take place in Houston, Courts of Texas Institute, Sunset review, revenues and strategic plan.

5. REPORT FROM THE CHIEF OPERATING OFFICER/GENERAL COUNSEL

Chief Operating Officer/General Counsel Shelby Rogers **gave a brief overview of the IOLTA lawsuits and the request to join in Amicus Curiae brief in IOLTA lawsuits.**

President-elect Guy N. Harrison moved for approval of request to join in the National Association of IOLTA programs Amicus Curiae brief or permission to file an Amicus Brief in the State Bar of Texas name, with the U.S. Supreme Court, in either the 9th Circuit case and/or the 5th Circuit case,

supporting the positions of the IOLTA program and that the Board require the State Bar General Counsel, the Chair of the Board, and the Chair of the Board Administration Committee to review and approve the Amicus Curiae brief prior to its filing. Seconded by Amos Mazzant. Motion passed.

COO/GC Rogers also reported on demutualization of the Prudential stock in the Texas Lawyers insurance trust. Prudential went public and some of the stock was initially in the State Bar of Texas' name. This does not necessarily mean that the Bar is entitled to those proceeds. The Bar has hired Vinson & Elkins to advise the Bar of its fiduciary duties. COO/GC Rogers anticipates giving an update on the next Board meeting.

6. REPORT FROM BOARD COMMITTEES

Status reports were heard from the following Board committees:

***A. Administrative Oversight* (Gary Reaves) - Gary Reaves reported on the Employee Handbook.**

On behalf of the Administrative Oversight Committee, Gary Reaves moved approval of the Employee Handbook. The motion carried.

Reaves also reported that the iMIS/ASI contract had been approved at the last Executive Committee meeting but several issues have risen concerning this contract.

On behalf of the Administrative Oversight Committee, Gary Reaves moved approval of the authorization of the Executive Committee to move forward with the iMIS/ASI contract. The motion carried.

(Closed Session)

As authorized by Texas Government Code, Section 551.074, the Board met in closed session for the purpose of discussing the evaluation, duties and compensation of the Executive Director.

(Open Session)

Upon return to open session, Chair Martinez announced that during the closed session, pursuant to Texas Government Code, Section 551.074, only items pertaining to the evaluation, duties, and compensation of the Executive Director were discussed. No action was taken in closed session.

Steve Maxwell moved that the Executive Director's salary be raised to $135,000 from $130,000 with bonus of $13,500 and he will retain monthly car allowance of $600 along with the normal enhanced benefits package. Seconded by Gib Walton. Motion passed.

***B. Audit and Finance* (Gib Walton) - Walton reported that the budget was 4% favorable with over a million dollar net excess and a $738,000 positive variance.**

***C. Budget* (Guy N. Harrison)** - President-elect Harrison reported that the budget has been submitted and approved by the Supreme Court.

***D. Client Security* (John Miller) - Miller gave a brief report on the status of Client Security funds and activities and reported approximately $460,000 had been approved in claims.**

E. Disciplinary/Disability System Oversight **(Mark D. White) - White reported on the Client Attorney Assistance Program. As of May 25, CAAP is operating statewide. The average daily contacts has increased from 81 to 127.**

F. Facilities & Equipment Committee **(Mark D. White) –** White reported that the Facilities and Equipment subcommittees have been working on the following: Safety and Security issues at the Texas Law Center; the Law Center Fund strategy; the real estate strategic plan, which is in its final negotiation phase with Commercial Texas; and the lease for the Chief Disciplinary office located in El Paso.

On behalf of the Facilities and Equipment Committee, Mark White moved approval of authority of Board Administration Committee to approve any lease agreements or amendments for tenants at Texas Law Center. The motion carried.

G. Legal Services **(Dan Boulware) – Boulware gave a report on the dues statement stating that an update of the impact and revenues would be given at the next Board meeting.**

H. Legislative Policy (Kent Sullivan) - Sullivan reported on the Legislative Policy Committee report on the unauthorized practice of law task force final report. The report included an introduction to context of work by the task force, potential reforms, an interim report on multidisciplinary practice, a historical overview, a transcript of the public hearing held by the task force and the Task Force proposal. **Chief Operating Officer/General Counsel** Shelby Rogers reported on the amendment to the legislative policy in the Board Policy Manual, Section 15.01.03. The policy will now read as "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."

On behalf of the Legislative Policy committee, Kent Sullivan moved approval of the following items: 1) amendment to the Legislative Policy in the Board Policy Manual, Section 15.01.03, and 2) authorization to forward additional comments received on the UPL Task Force report and the UPL Task Force report to the Texas Supreme Court. ***(See Exhibits E and F.)***

*I. New Director's Orientation (***Gina Benavides*) – Benavides reported that the** New Director's Orientation was held on Wednesday, June 12, from 8:30a-1:30p. All new Board members were encouraged to solicit assistance from tenured Board members when needed.

J. Policy Manual (Jarvis Hollingsworth) - Hollingsworth reported that the Book Fund resolution will not be discussed and will be pulled off the agenda due to some unresolved issues. The Policy Manual Committee will meet to resolve these issues and propose a resolution for the August Executive Committee meeting. A proposal will be presented at the September Board meeting.

*K. Technology Oversight (*Steve Suttle) - Suttle's report included a historical review of the Technology Oversight Committee for the new Board members in attendance, status of the iMIS software program and an update on the technology plan.

L. Sunset Review (Gib Walton) - Walton gave a brief update of the Sunset Review process for the new board members. Walton further reported that the final hearing is scheduled for June 26, 2002. The final report will then be submitted to the Legislature. The Legislative session will begin January 14, 2003.

7. <u>OTHER REPORTS/ACTIONS</u>

A. Law Focused Education Committee

Board member George Edwards reported on the history and purpose of the Law Focused Education Committee. Director Jan Miller gave a powerpoint presentation on the current activities of the Law Focused Education Department.

B. Commission for Lawyer Discipline

On behalf of Chair Scott Rozzell, Chief Disciplinary Counsel Dawn Miller reported that the budget came in under budget this year and new hardware and Advantage software recently installed has improved office efficiency. Miller also expressed appreciation of volunteers, Board members and staff for their hard work..

C. Texas Access to Justice Commission (TAJC)

On behalf of Chair John Jones, President-elect Guy N. Harrison reported that John Jones along with other distinguished members had visited with representatives in Washington, D.C., to discuss funding for legal services. The visit proved to be successful since they were informed that there will be no cut in funding to legal services this year.

D. TYLA President

TYLA President Amos L. Mazzant reported on TYLA activities: Junior Judges program will go nationwide in August through ABA Young Lawyers Division; the New Medicare/caid SSI and Organ Donation brochures are ready for distribution; announced the new incoming President, Andrew Strong, and new President-elect, Marshall Wood; and the Midnight Mambo held on June 14, 2002 at the Wyndham Anatole hotel.

President Mazzant presented outgoing Chair of the Board Vidal G. Martinez with an appreciation gift.

INCOMING (2002-2003) BOARD - June 13, 2002 A.M. Session:

The morning session of the Board was called to order 9:00 a.m on June 13, 2002 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, liaisons and section representatives were unable to attend the Board meeting and were extended excused absences: Judge Sharon Keller, Glenn Perry, Immediate Past President Broadus Spivey, Luther Soules and James Winton. Also in attendance were Judge Mark D. Atkinson; Dudley Humphrey, Vice President of North Carolina Mandatory Bar; and Joe Walraven, Sunset Commission.

8. PRESENTATIONS, INSTALLATION AND SWEARING IN OF NEW OFFICERS AND DIRECTORS

Justice Craig Enoch administered the oath of office to the incoming officers and directors. President Guy N. Harrison, President-elect Betsy Whitaker, and Chair of the Board Charles W. Schwartz were introduced by the outgoing 2001-2002 officers, and each incoming officer gave general remarks. A copy of *Robert's Rules of Order* was presented to Chair Schwartz. Shadow boxes were presented to outgoing President Spivey (for delivery) and Chair Martinez. Executive Director Antonio Alvarado presented Outgoing Chair Martinez with a special gift on behalf of the Board.

9. REPORT FROM THE CHAIR OF THE BOARD

Chair Charles W. Schwartz's general remarks included: (1) the benefits as a Board member - free online library, (2) a preview of resolutions that will be discussed at the Resolutions Committee, (3) Board committee advisors and alternate advisors would be forthcoming, (4) committee set-up based on the Strategic Plan, and (5) Sunset **Review.**

Chair Charles W. Schwartz moved for approval of the Special Service Award, the Mike Crowley Award. Seconded by Roland Garcia, the motion passed. ***(See exhibit G.)***

The first Mike Crowley Award had been presented to Gib Walton during the Directors Dinner on June 12, 2002.

10. REPORT FROM THE PRESIDENT

President Guy N. Harrison commented on the importance of the Sunset process and the relationships with the Supreme Court of Texas and the Court of Criminal Appeals. President Harrison also stated he looked forward to a successful year.

11. REPORT FROM THE PRESIDENT-ELECT

President-elect Betsy Whitaker commented on the importance of teamwork, the new Board composition, Sunset, and the importance of connecting with other Texas lawyers.

12. REPORT FROM THE JUDICIAL SECTION LIAISON

Judge Mark D. Atkinson reported that he would continue to serve as a liaison to the Board. Judge Steve Ables, Judicial Section Chair-elect, will be the Chair beginning in August. Judge Atkinson reported that the Judicial Section/Judiciary has established a leadership rotation, which will provide a representative as follows: First from District Court, County Court, District Court, and then the Appellate Court.

13. REPORT FROM THE TYLA PRESIDENT

TYLA Incoming President Andrew Strong introduced the new TYLA President-elect, Marshall Wood. Strong reported on the activities of TYLA and solicited support from members with their various activities. Members were invited to the TYLA Midnight Mambo scheduled on Friday, June 14, during the annual meeting.

14. RESOLUTIONS

Chair Schwartz directed attention to the two resolutions that had been submitted for the Resolution Committee's consideration at its June 13 meeting.

There being no further business, the meeting adjourned at approximately 4:00 p.m.

EXHIBITS ATTACHED

EXHIBIT A: Resolution honoring Joe H. Tonahill
EXHIBIT B: Resolution honoring John T. Adams
EXHIBIT C: Public Utility Law Section's request to hold its annual section meeting on October 11, 2002, instead of during the State Bar's June 2002 Annual Meeting (Dallas)
EXHIBIT D: Amendments to bylaws for Section of Taxation of the State Bar of Texas
EXHIBIT E: Amendment to Board Policy Manual, Section 15.01.03

EXHIBIT F: **The Unauthorized Practice of Law Task Force report**
EXHIBIT G: **Mike Crowley Award**

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