



Board of Commissioners

Agenda and Materials

April 24, 2020

**STATE BAR OF MICHIGAN
BOARD OF COMMISSIONERS
FRIDAY, APRIL 24, 2020
VIA ZOOM
9:30 A.M.
AGENDA**

State Bar of Michigan Statement of Purpose

“...The State Bar of Michigan shall aid in promoting improvements in the administration of justice and advancements in jurisprudence, in improving relations between the legal profession and the public, and in promoting the interests of the legal profession in this state.”

Rule 1 of the Supreme Court Rules Concerning the State Bar of Michigan

- I. Call to Order..... Dennis M. Barnes President

CONSENT AGENDA

II. **Minutes**

- A. January 24, 2020 Board of Commissioners meeting*
- B. March 24, 2020 Board of Commissioners meeting*
- C. January 14, 2020 Executive Committee meeting*
- D. February 25, 2020 Executive Committee meeting*
- E. March 13, 2020 Executive Committee meeting*
- F. March 23, 2020 Executive Committee meeting*
- G. March 31, 2020 Executive Committee meeting*

III. **President’s Activities**..... Dennis M. Barnes, President

- A. Recent Activities*

IV. **Executive Director’s Activities**..... Janet K. Welch, Executive Director

- A. Recent Activities*

V. **Finance**..... Daniel D. Quick, Chairperson

- A. FY 2020 Financial Reports through February 2020*
- B. 2019 Report of the State Bar of Michigan Retirement Plan*

VI. **Professional Standards** James W. Heath, Chairperson

- A. Client Protection Fund Claims*

VII. **Public Policy**..... Robert J. Buchanan, Chairperson

- A. Model Jury Instructions*

VIII. **Section Bylaw Amendments** Darin Day, Director of Outreach

- A. Antitrust Section*
- B. Family Law Section*
- C. Government Law Section*
- D. Labor Law Section*
- E. Litigation Section*

LEADERSHIP REPORTS

- IX. **President’s and Executive Director’s Report** Dennis M. Barnes, President
Janet K. Welch, Executive Director
 - A. Covid19 Responses
 - a. Remote operations
 - b. Responding to emerging needs of members and the public
 - c. Pro bono and rapid response initiatives
 - d. Interactions with sections and intergovernmental relations
 - B. Cancellations and Postponements
 - C. FY 2021 Strategies and Timetable
 - D. New Hires, Staff Vacancies
 - E. Strategic Planning
 - F. Governance Reform
 - G. Board Elections and Officer Election Timetable*
- X. **Representative Assembly Report** Aaron V. Burrell, Chairperson
 - A. April 25, 2020 Meeting RA Meeting Calendar*
- XI. **Young Lawyers Section Report** Ryan Zemke, Chairperson

COMMISSIONER COMMITTEES

- XII. **Finance** Daniel D. Quick, Chairperson
 - A. FY 2020 Financial Results
 - B. Investment Policy Revision*
- XIII. **Audit Committee** Daniel D. Quick Chairperson
- XIV. **Professional Standards** James W. Heath, Chairperson
 - A. Michigan Indigent Defense Commission (MIDC) Recommendations to Governor**
 - B. ABA House of Delegates Appointments**
- XV. **Communications and Member Services** Dana M. Warnez, Chairperson
 - A. Awards Nominations*
 - B. Section Guidelines**
 - C. Mentor Newsletter
 - D. Bar Journal Opt-in Change**
 - E. Member Benefit Program**
- XVI. **Public Policy** Robert J. Buchanan, Chairperson
 - A. Legislation**
 - B. State Budget Items

FOR THE GOOD OF THE PUBLIC AND THE PROFESSION

- XVII. **Comments or questions from Commissioners**
- XVIII. **Adjournment**

*Materials included with agenda

** Materials delivered or to be delivered under separate cover or handed out

**STATE BAR OF MICHIGAN
BOARD OF COMMISSIONERS MEETING MINUTES**

President Barnes called the meeting to order at 9:47 a.m. on Friday, January 24, 2020 in the Board room of the Michael Franck

Commissioners present:

Danielle Mason Anderson
David C. Anderson
Dennis M. Barnes, President
Robert J. Buchanan, President-Elect
Aaron V. Burrell
Erika L. Butler
Hon. Clinton Canady III
B.D. "Chris" Christenson
Josephine A. DeLorenzo
Hon. Shauna L. Dunning
Lisa J. Hamameh
Kara R. Hart-Negrich
James W. Heath, Secretary

Suzanne C. Larsen
James W. Low
Joseph P. McGill
Samantha J. Orvis
Barry R. Powers
Daniel D. Quick, Treasurer
Chelsea M. Rebeck
Thomas G. Sinas
Gregory L. Ulrich
Dana M. Warnez, Vice President
Erane C. Washington
Mark A. Wisniewski
Ryan Zemke

Commissioners absent and excused:

Joseph J. Baumann
Thomas H. Howlett
Sarah E. Kuchon

E. Thomas McCarthy Jr
Valerie R. Newman
Nicholas M. Ohanesian
Hon. David A. Perkins

State Bar staff present:

Janet Welch, Executive Director
Marge Bossenbery, Executive Coordinator
Daniel Claucherty, Network and Systems Technician
Gregory Conyers, Director of Diversity
Peter Cunningham, Assistant Executive Director and Director, Governmental Relations
Danon Goodrum-Garland, Director, Professional Services Division
Darin Day, Director of Outreach
Elizabeth Goebel, Public Policy Counsel
Brian Hildreth, Assistant Division Director, Technical Support
Kathryn Hennessey, Public Policy Counsel
James Horsch, Director, Finance and Administration Division
Nkrumah M. Johnson-Wynn, Assistant General Counsel
Joseph Kelly, Database Administrator
Robert Mathis, Pro Bono Counsel
Molly Ranns, Case Monitor, Professional Standards Division
Alecia Ruswinkel, Assistant Division Director
Carrie Sharlow, Administrative Assistant
Jeanette Socia, Human Resources Director
Kari Thrush, Assistant Director, Communications and Member Services Division
Tish Vincent, Program Administrator, LJAP
Anne Vrooman, Director of Research & Development
Becky Weaver, Financial Services Manager, Finance and Administration Division

Guests

Mr. Roger Hitchcock, Andrews Hooper Pavlik PLC
Jamie Rabe, Andrews Hooper Pavlik PLC,

Consent Agenda

The Board received the minutes from the November 22, 2019 Board meeting.
The Board received the minutes from the December 10, 2019 Executive Committee meetings.
The Board received the recent activities of the president.
The Board received the recent activities of the executive director.
The Board received the FY 2020 Financial Reports through November 2019.
The Board received an Insurance & Indemnity Bylaw Amendment.
The Board received a Real Property Section Dues Increase request.

Mr. Barnes asked the Board if any items needed to be removed from the consent agenda.

A motion was offered and supported to approve the consent agenda. The motion was approved.

LEADERSHIP REPORTS

President's Report, Dennis M. Barnes, President

Mr. Barnes reported that:

- He had appointed a work group to review the Board's compliance regarding redistricting. He stated Ms. Warnez is the Chair of the work group and they will meet in the next few weeks to make recommendations in time for the 2020 SBM election in June.
- There may be a need for a March meeting to address election matters besides the conference call scheduled to address public policy items.
- The Eastern Michigan University Moot Court team won the National Championship competition and he asked that a honorary resolution be prepared on behalf of the Board. A motion was offered and supported to prepare and send a resolution on behalf of the Board. The motion carried.
- This is the last meeting that Mr. Horsch would attend and reminded the Board there is a reception planned for him when the meeting concludes.
- There will be a closed session convened after the meeting to receive an update on litigation matters

Executive Director's Report, Janet K. Welch, Executive Director

Ms. Welch reported that:

- The Ethics and Regulation of Legal Services Task Force has concluded its work without a consensus on recommendations. The Justice for All (JFA) Task Force, appointed by the Supreme Court, is grappling with some of the same issues. She will be working on ways to bring the State Bar's next efforts into alignment with its involvement in the Court's JFA Task Force.
- The Economics of Law Practice Survey will launch in March and asked the Board to promote this because its value is enhanced by increased participation.
- There will be a staff reorganization beginning on Monday, February 3. She reported that the divisions have been dissolved and that the reporting structure is more streamlined to match best

practices. She stated that she now has three direct reports, Mr. Cunningham and Ms. Brown who are both Assistant Executive Directors, and Ms. Hennessey, General Counsel, who will report to both the Board and to her. Ms. Welch explained the remainder of the changes to the Board.

- Three employees have been hired since the last Board meeting. Mr. Hildreth introduced Daniel Claucherty, Network and Systems Technician, Joe Kelly, Database Administrator, and Mr. Cunningham introduced Elizabeth Goebel, Public Policy Counsel.
- That a Communications Director has been hired and will begin work at the SBM in February.

Representative Assembly (RA) Report, Aaron V. Burrell, Chairperson

Mr. Burrell reported that:

- The officers met with the leadership of the assembly to discuss the strategic goals for the year including the fee cycle and diversity issues.
- The Michael Franck and Unsung Hero Award nominations are due by March.
- The next RA meeting is scheduled for April 25, 2020 in Lansing.

Young Lawyers Section (YLS) Report, Ryan Zemke, Chairperson

Mr. Zemke reported that:

- The YLS conducted a few webinars for its members.
- They are preparing for the 2020 Annual Summit and council members might contact Board members asking for sponsorships.
- The YLS v BOC event scheduled after the April Board meeting will begin earlier this year in an effort for more participation by board members. More information will be sent about the event soon.

COMMISSIONER COMMITTEES

Finance, Daniel M. Quick, Chairperson

Mr. Quick reviewed the FY 2020 financial results for the two months ended November 31, 2019 and reported on the activities of the Finance Committee.

Audit, Daniel M. Quick, Chairperson

The Board received a copy of the FY 2019 State Bar of Michigan Audited Annual Financial Report and auditor's letter.

Mr. Quick introduced Mr. Roger Hitchcock, Audit Engagement Partner, and Jamie Rabe, Audit Partner, from the firm of Andrews Hooper Pavlik PLC, who reviewed the audit letter, the annual financial report, and responded to questions from the Board. The auditors provided a clean "unmodified" opinion with no audit recommendations and thanked the staff for their assistance and cooperation during the audit.

Mr. Quick noted that the SBM Auditor Selection and Rotation Policy requires that SBM to change its auditors after a 9-year period, unless this requirement is waived by the Audit Committee and the Board. He stated that given the circumstances with Mr. Horsch's retirement and the transition in Finance, the Audit Committee believes it would be advantageous to retain Andrews Hooper and Pavlik PLC for an additional year. A motion was offered and supported to approve a waiver and retain AHP for an additional year. The motion carried.

Professional Standards, James W. Heath, Chairperson

Mr. Heath reported that the committee met this morning, reviewed several CPF claims, and continued with the orientation of new members that began at the November meeting. He reported there were no action items to come before the Board.

Communications and Member Services, Dana M. Warnez, Chairperson

Ms. Warnez provided the Board with a memo describing a request that the SBM received from the American Bar Association (ABA) asking the SBM for a mailing list of its new admittees. This data was provided to the ABA in recent years because the ABA provided the new admittees with a free year of membership. A change in ABA policy in 2020 eliminates the year of free membership, instead charging new members \$75 for a year membership. In addition, an addendum to the agreement allows for member information to be distributed to third party vendors.

Ms. Warnez indicated that it was the consensus of the committee that SBM Member Privacy and Mailing List policies need further review; the committee will provide recommendations at a future meeting.

Ms. Warnez mentioned that sharing member information for members running for elected positions was also discussed. Candidates have requested emails for members in their districts and some suggested that a policy be developed regarding this issue.

After discussion Ms. Warnez said that the committee will digest the information surrounding this issue and propose a policy for the Board's review at a future meeting.

Public Policy, Robert J. Buchanan, Chairperson

Court Rules

ADM File 2018-34: Proposed Amendment of MCR 6.425

The proposed amendment of MCR 6.425 would clarify that criminal defendants whose request for counsel due to indigency are denied are entitled to appeal that denial.

A motion was offered and supported to support the proposed amendment. The motion carried

ADM File 2018-35: Proposed Amendment of MCR 8.108

The proposed amendment of MCR 8.108 would clarify the rule regarding preparation and filing of transcripts including that a court reporter or court recorder shall file their transcripts with a court when produced for a party or for the court.

A motion was offered and supported to support the proposed court rule amendment with the following amendments:

- Subsections (E)(1) and (E)(2) should be amended to require courts to order, and court reporters to provide, transcripts at public expense for a litigant who has obtained a fee waiver under MCR 2.002 if the litigant needs the transcript to further pursue the litigation. Courts should only be required to order transcripts at public expense when two conditions have been met: (a) the litigant has been granted a fee waiver under MCR 2.002 in the particular case; and (b) the court has determined that the litigant needs the transcript to further pursue the litigation pending before the court, including on appeal. In all other circumstances, the court should retain discretion to determine whether to order a transcript at public expense.

- Subsection (F)(1) should be amended as follows (suggested changes shown in bold and underline):
After the preparation of a transcript at public expense upon a request of a party or interested person to a case or on order of the trial court, the court reporter or recorder shall promptly file the transcript of the proceedings (or any part thereof).
- Subsection (F)(2) should be amended as follows (suggested changes shown in bold and underline):
After an official transcript is filed, copies submitted to a court or used in any court proceeding shall be made from the official transcript filed with the court or from an unaltered digital or paper copy of the official transcript.

The motion carried.

Comments or questions from Commissioner

There were none.

Comments or questions from the public

There were none.

The Board went into a closed session at 11:42 a.m. and returned to open session at 12:30 p.m.

The meeting was adjourned at 12:35 p.m.

**STATE BAR OF MICHIGAN
BOARD OF COMMISSIONERS MEETING MINUTES**

President Barnes called the meeting to order at 4:00 p.m. on Tuesday, March 24 via a Zoom video conferencing call.

Commissioners present:

Danielle Mason Anderson
David C. Anderson
Dennis M. Barnes, President
Joseph J. Baumann
Robert J. Buchanan, President-Elect
Aaron V. Burrell
Erika L. Butler
Hon. Clinton Canady III
B.D. “Chris” Christenson
Josephine A. DeLorenzo
Hon. Shauna L. Dunning
Thomas H. Howlett
Lisa J. Hamameh
Kara R. Hart-Negrich
Sarah E. Kuchon
Suzanne C. Larsen

James W. Low
E. Thomas McCarthy Jr.
Joseph P. McGill
Valerie R. Newman
Nicholas M. Ohanesian
Samantha J. Orvis
Hon. David A. Perkins
Barry R. Powers
Daniel D. Quick, Treasurer
Chelsea M. Rebeck
Thomas G. Sinas
Gregory L. Ulrich
Dana M. Warnez, Vice President
Erane C. Washington
Mark A. Wisniewski
Ryan Zemke

Commissioners absent and excused:
James W. Heath, Secretary

State Bar staff present:

Janet Welch, Executive Director
Marge Bossenbery, Executive Coordinator
Nancy Brown, Assistant Executive Director
Peter Cunningham, Assistant Executive Director and Director, Governmental Relations
Elizabeth Goebel, Public Policy Counsel
Kathryn Hennessey, General Counsel

LEADERSHIP REPORTS

President’s Report, Dennis M. Barnes, President
Mr. Barnes reported:

- The Redistricting/Reapportionment work group met and reviewed the data from the consultant. It was determined there were issues that were more complicated than originally thought which will prevent the work group from finishing its work on the reallocation of Board seats before the 2020 election. Mr. Barnes assured the Board he is committed to completing the reallocation by the end of the Bar year.
- At the recommendation of the Redistricting/Reapportionment work group, a proposed amendment to Article III Section 11—Limitation of Terms, of the State Bar’s Bylaws is before the Board for action. According to SBM policy, this proposed amendment was posted on the SBM website for comments before this meeting. A motion was offered and seconded to adopt the amendments as drafted. Discussion took place and a friendly amendment was offered and

accepted to add the language: "... a Commissioner appointed by the Board of Commissioner to fill a vacancy," as bolded, below. The motion was approved as amended.

Proposed State Bar of Michigan Bylaw Amendment Section 11—Limitation of Terms.

Except as otherwise ~~stated~~ provided herein, no Commissioner may serve more than three full ~~consecutive~~ elected terms on the Board of Commissioners. This limitation of terms does not apply to the time that Commissioners may serve on the Board of Commissioners in their capacity as officers of the Representative Assembly, officers of the Young Lawyers Section, a Commissioner appointed by the Board of Commissioners to fill a vacancy, or appointed Michigan Supreme Court representatives.

If the remaining term of a ~~commissioner~~ Commissioner elected vice president or president-elect will expire before the ~~commissioner~~ Commissioner completes a term as president, the term shall be extended to allow the ~~commissioner~~ Commissioner to complete the term as president.

Public Policy, Robert J. Buchanan, Chairperson

Court Rules

ADM File No. 2002-37: Proposed Amendments of E-Filing Rules

The proposed amendments of MCR 1.109, 2.002, 2.302, 2.306, 2.315, 2.603, 3.222, 3.618, 4.201, and 8.119 are the latest proposed revisions as part of the design and implementation of the statewide electronic filing system.

A motion was offered and seconded to support the proposed amendment and authorize individual committees and sections to submit their position reports to the Court. The motion carried.

ADM File No. 2019-13: Proposed Amendments of MCR 7.118

This proposal, suggested by the Prisons and Corrections Section of the State Bar of Michigan, would require counsel to be appointed to an indigent prisoner when an application for leave to appeal a grant of parole is filed by the prosecutor or victim. The right to counsel also would be included on the notice to be provided the prisoner.

A motion was offered and seconded to support the proposed amendment. The motion carried.

Executive Director's Report, Janet K. Welch, Executive Director

Ms. Welch reported that:

- The entire staff has transitioned to working from home.
- An Executive Order of the governor was released and responded to the questions, concerns, and comments from the Board members.
- The SBM received about 30 calls from lawyers with concerns after the Executive Order was released.
- The SBM is working closely with the Court providing information beneficial to judges and lawyers and relaying questions to the Governor's Office.
- The SBM is participating in a roundtable with section leaders tomorrow.

- The sections are a wonderful source of advice and telling us what practice challenges need to be addressed. They have concerns about how to conduct business that requires in-person meetings such as notarizing and witnessing.
- The Judicial Qualifications Committee met via Zoom video conferencing today and was very successful.

The meeting was adjourned at 5:15 p.m.

State Bar of Michigan
Executive Committee Conference Call
Tuesday, January 14, 2020
4:00 p.m.

Call to Order: President Barnes called the meeting to order at 4:03 p.m.

Members Present: President Dennis M. Barnes, President-Elect Robert J. Buchanan, Vice President Dana M. Warnez, Secretary James W. Heath, Treasurer Daniel D. Quick, Representative Assembly Chair Aaron V. Burrell, and Commissioners Thomas H. Howlett, Joseph P. McGill and Erane C. Washington.

Members Absent: Representative Assembly Vice-Chair Chelsea M. Rebeck.

State Bar Staff Present: Janet Welch, Executive Director; Margaret Bossenbery, Executive Coordinator; Nancy Brown, Director of Member and Communication Services; Peter Cunningham, Assistant Executive Director and Director of Governmental Relations; Darin Day, Director of Outreach; Kathryn Hennessey, General Counsel; and James Horsch, Director of Finance & Administration.

Minutes from the December 10, 2019 EC Meeting

Mr. Barnes introduced the minutes from the December meeting. A motion was made and seconded to approve the minutes. The motion passed.

President's Report

President Barnes reported on his recent activities. He is writing a Bar Journal president's column that lays the groundwork for a fee increase. Mr. Barnes also noted several issues for the upcoming BOC meeting.

Representative Assembly Chair's Report

Representative Assembly Chair Burrell reported on the activities of the Nominations Committee in filling RA vacancies, the deadlines for nominations, and another presentation on the fee cycle.

Executive Director's Report

Executive Director Welch reported on her role in a webinar on the mandatory bar challenges, her upcoming meeting with the Chief Justice, and the launch of an internal reorganization. She also reported on the need to reformulate the [Ethics & Regulation of Legal Services Marketing Task Force](#), in consultation with the Michigan Supreme Court.

Mr. Horsch reported on fee processing and noted that the number of pre-suspension letters sent this year decreased from last year by 3% due to better communication. The deadline for payment before suspension for non-payment of fees is February 10, 2020.

Ms. Hennessey provided an update on litigation and reviewed a request from the ABA to provide a member mailing list. She is reviewing and updating various policies on member privacy and mailing list policies. The BOC will be presented information to formulate a response to the ABA on its request.

Mr. Quick asked when BOC reapportionment will be revisited, and Mr. Barnes noted that it will be dealt with this year. After EC discussion, Ms. Welch will be providing an analysis on the process and schedule for making any changes on this matter.

Agenda for January 24, 2020 Board Meeting

Ms. Bossenbery reviewed the proposed agenda and noted that the Finance Committee and Audit Committee reports will be moved up on the agenda to facilitate the auditor's presentation. A motion was made and seconded to approve the agenda as amended, and the motion passed.

Adjournment

There being no further business for the Executive Committee, President Barnes adjourned the meeting at 5:02 p.m.

Submitted by James C. Horsch
January 14, 2020

State Bar of Michigan
Executive Committee Conference Call
Tuesday, February 25, 2020
4:00 p.m.

Call to Order: President Barnes called the meeting to order at 4:04 p.m.

Members Present: President Dennis M. Barnes, President-Elect Robert J. Buchanan, Vice President Dana M. Warnez, Secretary James W. Heath, Treasurer Daniel D. Quick, Representative Assembly Chair Aaron V. Burrell, Representative Assembly Vice Chair Chelsea M. Rebeck, and Commissioners Thomas H. Howlett, Joseph P. McGill, and Erane C. Washington.

Members Absent:

State Bar Staff Present: Janet Welch, Executive Director; Margaret Bossenbery, Executive Coordinator; Nancy Brown, Assistant Executive Director; Peter Cunningham, Assistant Executive Director; Kathryn Hennessey, General Counsel, and Anne Vrooman, Research & Development Program director.

Guest: Cliff Flood

Minutes from the December 10, 2019 EC Meeting

Mr. Barnes introduced the minutes from the January 14 meeting. A motion was made and seconded to approve the minutes. The motion was approved.

President's Report

Mr. Barnes reported on his recent activities and noted several issues for the upcoming Board meeting.

Mr. Barnes stated that he appointed a work group in response to the Finance Committee's suggestion that the SBM look at generating non-dues revenue opportunities. The work group consists of Commissioners Quick, Rebeck, Warnez, and Howlett, along with administrative staff as support. Mr. Barnes stated that he would participate as needed.

Reapportionment/Redistricting Workgroup Report

Ms. Warnez reported that the work group met on February 5 and discussed the BOC reapportionment and redistricting options, a proposed amendment to clarify Article III Section 7 of the State Bar Bylaws—Limitation of Terms, and reviewed the Supreme Court Rules Concerning the State Bar about automatic succession of officers.

The work group reviewed the data received from the consultant regarding the reallocation of Board seats. It was decided that given the limited time frame and the need for more time to digest what options were available, a change would not be made before this year's election cycle. The work group will meet again soon to consider the options provided, and plans are in place to make a recommendation to the Board by the end of the bar year.

Proposed Amendment to Article III, Section 7 Limitation of Terms

The work group recommends a proposed change to Section 11—Limitation of Terms, of the State Bar’s bylaws. The work group determined that some clarification was needed to the language of this section regarding continued service of Commissioners after 3three successive three-year terms. The proposed amendment is highlighted below:

Except as otherwise ~~stated~~ provided herein, no Commissioner may serve more than three full ~~consecutive~~ elected terms on the Board of Commissioners. This limitation of terms does not apply to the time that Commissioners may serve on the Board of Commissioners in their capacity as officers of the Representative Assembly, officers of the Young Lawyers Section, or appointed Michigan Supreme Court representatives.

If the remaining term of a ~~commissioner~~ Commissioner elected vice-president or president-elect will expire before the ~~commissioner~~ Commissioner completes a term as president, the term shall be extended to allow the ~~commissioner~~ Commissioner to complete the term as president.

A motion was offered and seconded to publish the proposed bylaw amendment to Section 11 for comments and bring the proposed amendment before the Board for consideration at its March 24 meeting. The motion was approved.

Supreme Court Rules Concerning the SBM—Succession Planning

Mr. Barnes reported that the Supreme Court Rules Concerning the State Bar of Michigan provide for the automatic succession of the president-elect to the office of president and of the vice president to the office of president-elect. To strengthen continuity of leadership the workgroup recommends extending the automatic succession provision to all elected SBM officers. Extending automatic promotion to the secretary and treasurer requires the Supreme Court to change Rule 7. If approved by the Board, this proposed language would be sent to the Michigan Supreme Court for its consideration.

A motion was offered and seconded to support amending the State Bar bylaws and to ask the Supreme Court to change Rule 7 as described below. The motion was approved.

If the remaining term of a commissioner elected vice-president or president-elect will expire before the commissioner completes a term as president, the term shall be extended to allow the commissioner to complete the term as president. If the remaining term of a commissioner elected treasurer or secretary will expire before the commissioner completes a term as officer in the next higher office, the term shall be extended to allow the commissioner to complete the term in the next higher office.

Representative Assembly Chair’s Report

Representative Assembly Chair Burrell reported on the activities of the Nominations Committee in filling RA vacancies, the deadlines for award nominations, and noted that the next RA meeting is scheduled for April 25 in Lansing.

Executive Director's Report

Ms. Welch reported that the automated online application portal for Character and Fitness had a temporary but serious software error. This affected 18 applicants before the error was detected and fixed. The applicants were potentially affected in two ways: 1) whatever information they had entered before the fix might have been exposed to the other applicants; and 2) the "pre-fix" information they had entered was erased and they had to start over. A letter was sent to the applicants offering an apology and explanation, and the SBM offered a full refund of the Character and Fitness fee. One applicant was unhappy and was not satisfied with the SBM's offer. She asked Ms. Welch to bring her argument that the SBM should reimburse her for the entire application fee to the Executive Committee and to report to her the outcome of this report. The Executive Committee directed Ms. Welch to contact the applicant and report that they do not approve additional compensation.

Ms. Welch reported that she and Ms. Hennessey have had discussions with the professor in charge of clinical programs at the University of Michigan law school about the fact that some of the law school's clinical professors were originally given approval from the BLE to carry out their duties as clinical law professors under a limited license, an interpretation of the rules that has subsequently been called into question. A logical next best step in the matter would be a discussion of the issue at a Law School Deans Committee meeting. Our role would be to act as facilitators in developing any consensus.

Ms. Welch stated that a staff reorganization is underway built on operating the bar in functional teams.

Ms. Welch reported that, coincident with concerns about a possible pandemic, we are in the process of refining a message about steps that law firms and lawyers might be wise to look at in response to the threat of a pandemic. We are trying to craft it in such a way to not sound like alarmists, but that everyone can have in their back pocket if it becomes an issue. There is much good guidance available, but no consensus yet on how to disseminate it or how to make it a useful and ready-to-implement piece of advice if we need it.

ABA/House of Delegates

Ms. Welch stated that she is on a working group that is going to be making a recommendation to the ABA House of Delegates on the issue of mandatory bars' limitations in terms of participation in the House of Delegates. She stated that she will draft her thoughts, not those of the State Bar, and circulate a draft document to the Executive Committee before submitting it to the working group. She asked that if any committee members want to share their thoughts with her on this topic to let her know.

Mr. Barnes told the members this ABA House of Delegates issue dovetails into the lawsuit and that it has been percolating for a while. He would like to convene an in-person Executive Committee meeting soon with this item being on the agenda.

CloudLaw Voting Agreement

Ms. Hennessey reported that the CloudLaw's primary investor is requesting that the State Bar consider changes to the CloudLaw agreement concerning a drag along provision and separate voting agreement. A motion was offered and seconded to support the changes. The motion was approved.

Other

Mr. Barnes confirmed that Ms. Welch will post the proposed bylaw amendment on the website on February 26 and indicated that the proposed amendment to Supreme Court Rule 7 will be on the March 24 Board agenda.

Adjournment

President Barnes adjourned the meeting at 5:20 p.m.

State Bar of Michigan
Executive Committee Conference Call
Friday, March 13, 2020
2:00 p.m.

Call to Order: President Barnes called the meeting to order at 2:02 p.m.

Members Present: President Dennis M. Barnes, President-Elect Robert J. Buchanan, Vice President Dana M. Warnez, Secretary James W. Heath, Treasurer Daniel D. Quick, Representative Assembly Chair Aaron V. Burrell, Representative Assembly Vice Chair Chelsea M. Rebeck, and Commissioners Thomas H. Howlett, Joseph P. McGill, and Erane C. Washington.

Members Absent:

State Bar Staff Present: Janet Welch, Executive Director; Margaret Bossenbery, Executive Coordinator; Nancy Brown, Assistant Executive Director; Peter Cunningham, Assistant Executive Director; Kathryn Hennessey, General Counsel, and Darin Day, Outreach Program Director.

President's Report

Mr. Barnes reported that the 50-year Golden celebration is postponed and that the State Bar building is closing due to the COVID-19 and the directive from the governor in her Administrative Order.

Resolution of the State Bar of Michigan to Change Signers on Bank Account

A motion was offered and seconded to support a resolution removing James Horsch as an individual signer on State Bar bank accounts and authorizing Peter Cunningham as an individual signer on those accounts. The motion was approved.

Executive Director's Report

Ms. Welch stated that most staff members were working from home and except for those employees whose work cannot be done remotely (e.g. mail room operations), all will be working at home by the middle of next week. She said there will be coverage for the phones and mail delivery. Ms. Welch told the EC that everyone who had scheduled meetings during the month of March and early April had been notified that the building is closed and all meetings were cancelled.

Ms. Welch reported that she has been working with the Court and SCAO to provide attorneys with the current status of closures of state courts and their administrative offices and the impact that has on court proceedings.

Ms. Welch asked Mr. Day to provide an update on how the State Bar is assisting sections during the closure. Mr. Day stated that a message has been sent to the section leaders encouraging them to use best judgement when scheduling meetings and to consider alternatives to in-person meetings. He mentioned that he and Ms. Welch will meet with executives from the Michigan Association of Bar Executives (MABE) on Monday, March 16.

Ms. Welch reported that meeting plans are on hold for the April 24 Board meeting, but that the RA is gearing down faster regarding an in-person meeting. We are waiting for additional direction from the governor to determine how SBM will proceed with the contract we have with Lansing Community College for the RA meeting.

The meeting was adjourned at 2:45 p.m.

State Bar of Michigan
Executive Committee Conference Call
Tuesday, March 23, 2020
5:30 p.m.

Call to Order: President Barnes called the meeting to order at 5:35 p.m.

Members Present: President Dennis M. Barnes, President-Elect Robert J. Buchanan, Vice President Dana M. Warnez, Treasurer Daniel D. Quick, Representative Assembly Chair Aaron V. Burrell, Representative Assembly Vice Chair Chelsea M. Rebeck, and Commissioners Thomas H. Howlett, Joseph P. McGill, and Erane C. Washington.

Members Absent: Secretary James W. Heath

State Bar Staff Present: Janet Welch, Executive Director; Margaret Bossenbery, Executive Coordinator; Nancy Brown, Assistant Executive Director; Peter Cunningham, Assistant Executive Director; Kathryn Hennessey, General Counsel; and Elizabeth Couch, Communications Director.

President's Report

Mr. Barnes stated that he convened this meeting to discuss the Executive Order issued today by the Governor.

Mr. Barnes asked the Executive Committee members their thoughts on if the State Bar should take a position on attorneys not being included among critical infrastructure workers in the Administrative Order or if the State Bar should communicate with the governor seeking such inclusion.

After much discussion, Mr. Barnes stated that there was not a strong feeling to authorize substantial communications to the governor. Most of the EC members expressed opinions that there are exceptions in the EO or interpretations to the exceptions that would allow them to perform necessary functions to operate their businesses.

Ms. Welch reported that our intergovernmental communication channels are strong and that would help the Bar as developments in the crisis unfold.

Mr. Barnes stated that the Board meeting tomorrow would take place via Zoom instead of conference call.

The meeting was adjourned at 6:00 p.m.

State Bar of Michigan
Executive Committee Conference Call
Tuesday, March 31, 2020
4:00 p.m.

Call to Order: President Barnes called the meeting to order at 4:03 p.m.

Members Present: President Dennis M. Barnes, President-Elect Robert J. Buchanan, Vice President Dana M. Warnez, Secretary James W. Heath, Treasurer Daniel D. Quick, Representative Assembly Chair Aaron V. Burrell, Representative Assembly Vice Chair Chelsea M. Rebeck, and Commissioners Thomas H. Howlett, Joseph P. McGill, and Erane C. Washington.

Members Absent:

State Bar Staff Present: Janet Welch, Executive Director; Margaret Bossenbery, Executive Coordinator; Nancy Brown, Assistant Executive Director; Peter Cunningham, Assistant Executive Director; Kathryn Hennessey, General Counsel, and Kari Thrush, Lawyer Services Program Director.

President's Report

Mr. Barnes stated that he called this meeting because he thought the EC should kept updated on the activities of the State Bar on a more frequent basis.

Executive Director's Report

Ms. Welch reported that we are focusing on what lawyers and the public need from the State Bar. She stated that staff is identifying accurate and timely information regarding COVID-19 for lawyers, collecting accurate information on the status of courts regarding case proceedings and filings, providing tech tips for video conferences, and working with sections to identify their urgent needs.

Ms. Welch stated that the public need is receiving direct and quicker access to lawyers who can provide services in the areas of patient advocates, wills, and estate planning, and unemployment. Ms. Welch stated that we are exploring with sections the possibility of their participation on Ask A Lawyer and that Rob Mathis is looking into ideas for pro bono assistance.

Ms. Welch reported that the Supreme Court has set up a rapid Virtual Courtroom Task Force on which she and Lori Buiteweg had been invited to participate. Ms. Welch said that the task force meets today and next Monday and are tasked with determining two things: 1) what are the challenges for virtual courtrooms; and 2) what are the best practices for a virtual courtroom.

Ms. Welch stated that one issue that continues to be raised by attorneys is the problem with in-person witnessing and notarizing of documents. Ms. Welch said that she hopes that some direction from the Executive Office will be coming soon.

Bar Leadership Forum (BLF)and Upper Michigan Legal Institute (UMLI)

Ms. Welch asked Ms. Thrush to provide an update on her communications with the Grand Hotel. Ms. Thrush stated she asked the Grand Hotel for alternate dates to hold the BLF/UMLI events in case there was a need to cancel the June dates or postpone to later in the year. Ms. Thrush said that

many of the alternative dates are in August and that we would need to act quickly to secure one of those if we were going to postpone these events.

The meeting adjourned at 4:47 p.m.

**President Dennis M. Barnes
President's Activities
January 24 through April 25, 2020**

Date	Event	Location
January 31	Conference call with Vice President Dana Warnez and Executive Director Janet Welch	Detroit
February 5	Meeting with the Reapportionment/Redistricting Workgroup	Lansing
February 13 - 18	American Bar Association Mid-Year meeting National Conference of Bar Presidents meeting House of Delegates meeting	Austin, TX
February 25	Executive Committee conference call	Detroit
March 13	Executive Committee conference call	Detroit
Various Dates	Numerous zoom meetings and phone conversations with the SBM and outside entities regarding the State Bar's response to issues surrounding Covid-19	Various Locations
March 23	Executive Committee conference call	Via Zoom Video Conferencing
March 24	Board of Commissioners meeting	Via Zoom Video Conferencing
March 25	United States District Court Eastern District Q&A Session	Via Zoom Video Conferencing
March 31	Executive Committee meeting	Via Zoom Video Conferencing
April 14	Executive Committee meeting	Via Zoom Video Conferencing
April 14	SBM On Balance Podcast	Via Zoom Audio Conferencing
April 14	Interview re: Frontline Responders Legal Helpline with WXMI – Fox 17	Via Zoom Video Conferencing
April 24	Board of Commissioners meeting	Via Zoom Video Conferencing
April 25	Representative Assembly meeting	Via Zoom Video Conferencing

Executive Director Janet K. Welch
Executive Director Activities
January 24 through April 25, 2020

Date	Event	Location
January 27	Conference call with MSC Clerk's office about Certificates of Good Standing (COGS)	Lansing
January 28	Conference Call with Lyle Moran from American Bar Association	Lansing
January 30	Conference Call with Jennifer Lewin about presentation at the Bar Leadership Institute	Lansing
January 31	Meeting with the Task Force on State Bar Operations, Structure, and Governance Consultant	Lansing
January 31	Conference Call with President Dennis Barnes and Vice President Dana Warnez	Lansing
February 4	Conference call with CloudLaw	Lansing
February 5	All Staff meeting	Lansing
February 5	Reapportionment/Redistricting Workgroup meeting	Lansing
February 10	Justice for All Planning Committee meeting	Lansing
February 11	Conference call with Ken Mogill	Lansing
February 11 - 18	American Bar Association Mid-Year meeting National Association of Bar Executives meeting National Conference of Bar Presidents meeting House of Delegates meeting	Austin, TX
February 19	Conference call with work group from Justice for All Task Force	Lansing
February 19	Conference call with CloudLaw	Lansing
February 20	ICLE Executive Committee meeting	Ann Arbor
February 21	Conference call with CloudLaw	Lansing
February 24	Conference call on clinical law professors' licensing	Lansing
February 25	Executive Committee Conference Call	Lansing
March 2	ABA Standing Committee on Bar Activities and Services meeting	Via Zoom Lansing

Date	Event	Location
March 3	Meeting with the Task Force on State Bar Operations, Structure, and Governance	Troy
March 9	Meeting with the ATJ Fund Steering Committee	Lansing
March 10	Meeting about Covid19 protocol	Lansing
March 11	Meeting with Disaster Recovery Planning Team	Lansing
March 11	Conference call with John Nevin, Supreme Court Communications Director	Lansing
March 11	Meeting with Jennifer Bentley, Executive Director Michigan State Bar Foundation	Lansing
March 13	Meeting with Probate and Estate Planning Section Council	East Lansing
March 13	Meeting with Executive Team about Transition Issues	Lansing
March 13	Judicial Council meeting	Lansing
March 13	Executive Committee meeting	Via Zoom
March 13	RA Officers meeting	Via Zoom
Various Dates from March 13 – April 25	Numerous Zoom meetings and phone conversations with the SBM leaders and outside entities regarding the State Bar's response to issues surrounding Covid-19	Lansing
March 16	Conference call with SC Clerk's office about Certificates of Good Standing (COGS)	Lansing
March 19	Conference Call with Dan Lear	Lansing
March 20	Integrated Tech meeting	Via Zoom
March 23	Call with Aaron Burrell Representative Assembly Chair	Via Zoom
March 23	Capitol Club meeting	Via Zoom
March 23	Public Policy Committee meeting	Via Zoom
March 23	Executive Committee meeting	Via Zoom
March 24	Board of Commissioners meeting	Via Zoom
March 25	Section Roundtable meeting	Via Zoom
March 27	Michigan Probate Judges Association meeting	Via Zoom

Date	Event	Location
March 30	All Staff meeting	Via Zoom
March 31	SCAO Task Force on Virtual Courts meeting	Via Zoom
March 31	Executive Committee meeting	Via Zoom
April 1	Albion College Alumni Law Workshop with Students	Via Zoom
April 1	ABA Working Group on House Operations meeting	Via Zoom
April 2	Meeting with Dan Quick	Via Zoom
April 3	Integrated Tech meeting	Via Zoom
April 6	ABA Standing Committee on Bar Activities and Services meeting	Via Zoom
April 6	SCAO Task Force on Virtual Courts meeting	Via Zoom
April 7	Finance Committee meeting	Via Zoom
April 7	Non-Dues Revenue Generating Committee meeting	Via Zoom
April 7	Meeting with David Watson, Executive Director ICLE	Phone call
April 9	Conference call with JoAnn Hathaway regarding Podcast content	Phone call
April 13	Budget Review meetings with Staff	Via Zoom
April 14	All Staff Meeting	Via Zoom
April 14	Executive Committee meeting	Via Zoom
April 15	Budget Review meetings with Staff	Via Zoom
April 16	Budget Review meetings with Staff	Via Zoom
April 16	Interview Team for CFO Position meeting	Via Zoom
April 17	Communications and Member Services Committee meeting	Via Zoom
April 17	Meeting with work group from Justice for All Task Force	Via Zoom
April 20	Strategic Planning Committee meeting	Via Zoom
April 20	Integrated Tech meeting	Via Zoom
April 23	Public Policy Committee meeting	Via Zoom

Date	Event	Location
April 23	Finance Committee meeting	Via Zoom
April 24	Professional Standards Committee meeting	Via Zoom
April 24	Board of Commissioners meeting	Via Zoom
April 25	Representative Assembly meeting	Via Zoom

State Bar of Michigan Financial Results Summary

5 Months Ended February 29, 2020

Fiscal Year 2020

Administrative Fund

Summary of YTD February 29, 2020 Actual Results

For the five months ended February 29, 2020, the State Bar had an Operating Loss of \$422,280 and Non-Operating Income of \$98,131, for a decrease in Net Position of \$324,149 so far in FY 2020. Net Position as of February 29, 2020 totaled \$11,893,071. Net Position excluding the impacts of the Retiree Health Care Trust net of the GASB 75 liability totaled \$9,922,215.

YTD Variance from Budget Summary:

YTD Operating Revenue - \$53,373 favorable to YTD budget, or 1.3%

YTD Operating Expense - \$279,266 favorable to YTD budget, or 5.7%

YTD Non-Operating Income - \$6,036 unfavorable to YTD budget, or (5.8%)

YTD Change in Net Position - \$326,603 favorable to YTD budget

YTD Key Budget Variances:

YTD Operating Revenue variance - \$53,373 favorable to budget:

- Operating revenue was favorable to budget primarily due to higher lawyer referral service fees, higher license fee revenue (late fees), net lower C&F revenue.

YTD Operating Expense variance - \$279,266 favorable to budget:

- Salaries and Employee Benefits/ Payroll Taxes - \$123,965 favorable - (4.0%)
 - Underage in salaries and benefits due to vacancies and health care.
- Non-Labor Operating Expenses - \$155,301, favorable - (8.8%)
 - Exec Offices - \$47,639 favorable - (13.9%) - Primarily Gen Counsel, and also Executive Office, HR, R&D and other, mostly due to timing.
 - Finance & Admin - \$11,208 favorable - (1.6%) - Under in Facilities Services and Administration due partially to timing.
 - Member & Communication Services - \$77,886 favorable - (11.8%) - Primarily Member & Endorsed Services, Website, Bar Journal, and Media Relations, mostly due to timing.
 - Professional Standards - \$18,568 favorable - (33.0%) - Primarily C&F and Other, mostly due to timing.

YTD Non-Operating Revenue Budget Variance - \$6,036 unfavorable to budget

- Operating investment income is favorable to budget by \$5,293 or 5.1%.
- Retiree Health Care Trust investment income is unfavorable to budget by \$11,329 due to investment loss; however, no investment income or loss was budgeted.

Cash and Investment Balance – Admin Fund

As of February 29, 2020, the cash and investment balance in the State Bar Admin Fund (net of “*due to Sections, Client Protection Fund, and Retiree Health Care Trust*”) was \$10,773,601, an increase of \$2,510,416 so far this fiscal year, due to the collection of license fees.

SBM Retiree Health Care Trust

As of February 29, 2020, the SBM Retiree Health Care Trust had a fund balance of \$3,485,446, which is an increase of \$17,402 or 1%, so far in FY 2020 due primarily to contributions to the trust.

Capital Budget – Admin Fund

Through February 29, 2020, YTD capital expenditures totaled \$185,564 which is over the YTD capital budget by \$35,354 due to two unbudgeted IT projects that will be offset by underspending on other IT projects.

Administrative Fund FY 2020 Year-End Financial Forecast

Based on our March forecast, we are projecting to be \$66,000 favorable to the FY 2020 budget. We are updating our forecast again later in April as part of the staff budget review.

Client Protection Fund

The Net Position of the Client Protection Fund as of February 29, 2020 totaled \$2,000,227, an increase of \$3,436 so far in FY 2020. Claims payments so far this year totaled \$224,475. In addition, there is a total of \$6,100 approved claims awaiting subrogation agreements.

SBM Membership

As of **February 29, 2020**, the total active, inactive and emeritus membership in good standing totaled 45,996 attorney members, a net decrease of 96 members so far in FY 2020. A total of 493 new members have joined the SBM so far during FY 2020. During February, there were 418 active and 51 inactive members suspended for non-payment of license fees.

**STATE BAR OF MICHIGAN
ADMINISTRATIVE FUND**

Unaudited and For Internal Use Only

**FINANCIAL REPORTS
February 29, 2020**

FY 2020

Note: Lincense Fee revenue is recognized and budgeted as earned each month throughout the year.

State Bar of Michigan
Administrative Fund
Statement of Net Position
For the Months Ending January 31, 2020 and February 29, 2020

	January 31, 2020	February 29, 2020	Increase (Decrease)	%	Beginning of FY 2020 October 1, 2019
ASSETS AND DEFERRED OUTFLOWS					
Assets					
Cash	7,954,970	7,449,207	(505,764)	(6.4%)	1,767,913
Investments (CDARS and CD's)	6,578,528	6,578,528	0	0.0%	8,753,528
Accounts Receivable	241,852	195,632	(46,219)	(19.1%)	299,325
Due from (to) CPF	(1,815)	772	2,586	142.5%	(7,740)
Due from (to) Sections	(3,343,368)	(3,254,906)	88,462	2.7%	(2,250,516)
Inventory	6,823	6,820	(3)	(0.1%)	23,538
Prepaid Expenses	303,520	319,790	16,270	5.4%	434,486
Retiree Health Care Trust Investment	3,715,742	3,485,446	(230,295)	(6.2%)	3,468,044
Capital Assets, net	3,785,262	3,753,737	(31,525)	(0.8%)	3,800,582
Total Assets	\$19,241,513	\$18,535,025	(\$706,488)	(3.7%)	\$16,289,160
Deferred Outflows of Resources related to pensions	34,117	34,117	0	0.0%	34,117
Deferred Outflows of Resources related to OPEB	313,165	313,165	0	0.0%	313,165
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$19,588,795	\$18,882,307	(\$706,488)	(3.6%)	\$16,636,442
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
Liabilities					
Accounts Payable	3,049	709	(2,340)	(76.8%)	390,272
Accrued Expenses	451,771	523,379	71,608	15.9%	516,644
Unearned Revenue	4,832,628	4,278,333	(554,295)	(11.5%)	1,325,491
Net Pension Liability	330,798	330,798	0	0.0%	330,798
Net OPEB Liability	1,603,186	1,603,186	0	0.0%	1,603,186
Total Liabilities	\$7,221,433	\$6,736,405	(\$485,028)	(6.7%)	\$4,166,391
Deferred Inflows of Resources related to pensions	28,262	28,262	0	0.0%	28,262
Deferred Inflows of Resources related to OPEB	224,569	224,569	0	0.0%	224,569
Total Liabilities and Deferred Inflows	\$7,474,264	\$6,989,236	(\$485,028)	(6.5%)	\$4,419,222
Net Position					
Invested in capital assets	3,785,262	3,753,737	(31,525)	(0.8%)	3,800,582
Invested in retiree health care, net of related liability	2,201,152	1,970,856	(230,295)	(10.5%)	1,953,454
Unrestricted	6,128,118	6,168,478	40,360	0.7%	6,463,184
Total Net Position	\$12,114,531	\$11,893,071	(\$221,460)	(1.8%)	\$12,217,220
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$19,588,795	\$18,882,307	(\$706,488)	(3.6%)	\$16,636,442
Net Position <u>excluding</u> the impacts of retiree health care	\$9,913,380	\$9,922,215			

NOTE: Cash and investments actually available to the State Bar Administrative Fund, after deduction of the "Due to Sections" and "Due to CPF" and not including the "Retiree Health Care Trust" is \$10,773,601 (See below):

	January 31, 2020	February 29, 2020	Increase (Decrease)	%	Beginning of FY 2020 October 1, 2019
CASH AND INVESTMENT BALANCES					
Cash	7,954,970	7,449,207	(505,763)	(6.4%)	1,767,913
Investments	6,578,528	6,578,528	0	0.0%	8,753,528
Total Available Cash and Investments	\$14,533,498	\$14,027,735	(\$505,763)	(3.5%)	\$10,521,441
Less:					
Due to Sections	3,343,368	3,254,906	(88,462)	(2.7%)	2,250,516
Due to CPF	1,815	(772)	(2,587)	(142.5%)	7,740
Due to Sections and CPF	\$3,345,183	\$3,254,134	(\$91,048)	(2.7%)	\$2,258,256
Net Administrative Fund Cash and Investment Balance (Not including Retiree Health Care Trust)	\$11,188,315	\$10,773,601	(\$414,715)	(3.7%)	\$8,263,185

State Bar of Michigan
Statement of Revenue, Expense, and Net Assets
For the five months ending February 29, 2020

YTD FY 2020 Revenue

Revenue	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance</u>	<u>Percentage</u>
Executive Offices				
Finance & Administration				
License Fees, Dues & Related	3,389,440	3,355,025	34,415	1.0%
Investment Income - SBM Operations	109,460	104,167	5,293	5.1%
Investment Income - Ret HC Trust	(11,329)	0	(11,329)	N/A
Other Revenue	180,751	172,167	8,584	5.0%
Finance & Administration Total	<u>3,668,322</u>	<u>3,631,359</u>	<u>36,963</u>	<u>1.0%</u>
Member & Communication Services				
Bar Journal Directory	30,804	30,850	(46)	(0.1%)
Bar Journal 11 issues	96,062	97,138	(1,076)	(1.1%)
Print Center	23,366	27,408	(4,042)	(14.7%)
e-Journal and Internet	40,649	39,333	1,316	3.3%
BCBSM Insurance Program	41,667	41,667	0	0.0%
50 Year Golden Celebration	0	0	0	N/A
Annual Meeting	450	0	450	N/A
Labels	681	1,667	(986)	(59.1%)
Upper Michigan Legal Institute	0	100	(100)	N/A
Bar Leadership Forum	0	0	0	N/A
Practice Management Resource Center	10	417	(407)	(97.6%)
Lawyer Referral Service (LRS)	88,169	65,417	22,752	34.8%
Other Member & Endorsed Revenue	50,224	46,113	4,111	8.9%
Member & Communication Services Total	<u>372,082</u>	<u>350,110</u>	<u>21,972</u>	<u>6.3%</u>
Professional Standards				
Ethics	4,520	4,800	(280)	(5.8%)
Character & Fitness	209,205	221,438	(12,233)	(5.5%)
Lawyers and Judges Assistance Program	18,415	17,500	915	5.2%
Professional Standards Total	<u>232,140</u>	<u>243,738</u>	<u>(11,598)</u>	<u>(4.8%)</u>
Total Revenue	\$4,272,544	\$4,225,207	\$47,337	1.1%
Less: Investment Income	109,460	104,167	5,293	5.1%
Investment Income - Ret HC Trust	(11,329)	0	(11,329)	N/A
Total Operating Revenue	\$4,174,413	\$4,121,040	\$53,373	1.3%

State Bar of Michigan
Statement of Revenue, Expense and Net Assets
For the five months ending February 29, 2020

YTD FY 2020 Expenses

Expenses	YTD Actual	YTD Budget	Variance	Percentage
Executive Offices				
Executive Office	37,366	44,413	(7,047)	(15.9%)
Representative Assembly	(486)	0	(486)	N/A
Board of Commissioners	19,313	22,483	(3,170)	(14.1%)
General Counsel	4,847	15,758	(10,911)	(69.2%)
Governmental Relations	25,256	28,544	(3,288)	(11.5%)
Human Resources (incl. empl benefits)	811,577	864,381	(52,804)	(6.1%)
Outreach, Local Bar & Section Support	103,957	105,467	(1,510)	(1.4%)
Research and Development	2,057	8,567	(6,510)	(76.0%)
Justice Initiatives	78,403	82,733	(4,330)	(5.2%)
Diversity	2,342	6,925	(4,583)	(66.2%)
Salaries	670,522	673,217	(2,695)	(0.4%)
Executive Offices Total	1,755,154	1,852,488	(97,334)	(5.3%)
Finance & Administration				
Administration	11,623	15,481	(3,858)	(24.9%)
Facilities Services	155,532	170,783	(15,251)	(8.9%)
Financial Services	520,676	512,775	7,901	1.5%
Salaries	206,058	204,110	1,948	1.0%
Finance & Administration Total	893,889	903,149	(9,260)	(1.0%)
Member & Communication Services				
Bar Journal Directory	3,575	2,650	925	34.9%
Bar Journal 11 Issues	197,971	218,021	(20,050)	(9.2%)
Print Center	21,860	25,508	(3,648)	(14.3%)
Website	43,565	64,475	(20,910)	(32.4%)
e-Journal	12,853	14,054	(1,201)	(8.5%)
Media Relations	19,694	27,838	(8,144)	(29.3%)
Member & Endorsed Services	55,564	74,388	(18,824)	(25.3%)
50 Year Golden Celebration	920	1,120	(200)	N/A
Annual Meeting	18,778	17,188	1,590	9.3%
Bar Leadership Forum	814	500	314	N/A
Practice Mgt Resource Center (PMRC)	1,212	2,400	(1,188)	(49.5%)
UMLI	754	500	254	50.8%
Lawyer Referral Service (LRS)	1,268	1,092	176	16.1%
Information Technology Services	203,495	210,475	(6,980)	(3.3%)
Salaries	863,315	924,990	(61,675)	(6.7%)
Member & Communication Services Total	1,445,638	1,585,199	(139,561)	(8.8%)
Professional Standards				
Character & Fitness (C&F)	11,464	22,290	(10,826)	(48.6%)
Client Protection Fund Dept	1,865	2,562	(697)	(27.2%)
Ethics	6,567	8,263	(1,696)	(20.5%)
Unauthorized Practice of Law (UPL)	6,738	8,486	(1,748)	(20.6%)
Lawyer & Judges Assistance Program	11,041	14,642	(3,601)	(24.6%)
Salaries	464,336	478,880	(14,544)	(3.0%)
Professional Standards Total	502,011	535,123	(33,112)	(6.2%)
Total Expense	4,596,692	4,875,959	(279,267)	(5.7%)
Human Resources Detail				
Payroll Taxes	160,836	173,724	(12,888)	(7.4%)
Benefits	627,569	661,680	(34,111)	(5.2%)
Other Expenses	23,173	28,977	(5,804)	(20.0%)
Total Human Resources	811,578	864,381	(52,803)	(6.1%)
Financial Services Detail				
Depreciation	232,500	232,500	0	0.0%
Other Expenses	288,176	280,275	7,901	2.8%
Total Financial Services	520,676	512,775	7,901	1.5%
Salaries				
Executive Offices	670,522	673,217	(2,695)	(0.4%)
Finance & Administration	206,058	204,110	1,948	1.0%
Member Services & Communications	863,315	924,990	(61,675)	(6.7%)
Professional Standards	464,336	478,880	(14,544)	(3.0%)
Total Salaries Expense	2,204,231	2,281,197	(76,966)	(3.4%)
NonLabor Summary				
Executive Offices	296,228	343,867	(47,639)	(13.9%)
Finance & Administration	687,831	699,039	(11,208)	(1.6%)
Member Services & Communications	582,323	660,209	(77,886)	(11.8%)
Professional Standards	37,675	56,243	(18,568)	(33.0%)
Total NonLabor Expense	1,604,057	1,759,358	(155,301)	(8.8%)

State Bar of Michigan
Statement of Revenue, Expense and Net Assets
For the five months ending February 29, 2020

YTD FY 2020 Increase (Decrease) in Net Position Summary

	Actual YTD	Budget YTD	Variance	Percentage	Last Year Actual YTD
Operating Revenue					
- License Fees, Dues & Related	3,389,440	3,355,025	34,415	1.0%	3,326,707
- All Other Op Revenue	784,973	766,015	18,958	2.5%	748,744
Total Operating Revenue	<u>4,174,413</u>	<u>4,121,040</u>	<u>53,373</u>	<u>1.3%</u>	<u>4,075,451</u>
Operating Expenses					
- Labor-related Operating Expenses					
Salaries	2,204,231	2,281,197	(76,966)	(3.4%)	2,120,171
Benefits and PR Taxes	788,405	835,404	(46,999)	(5.6%)	770,111
Total Labor-related Operating Expenses	<u>2,992,636</u>	<u>3,116,601</u>	<u>(123,965)</u>	<u>(4.0%)</u>	<u>2,890,282</u>
- Non-labor Operating Expenses					
Executive Offices	296,228	343,867	(47,639)	(13.9%)	346,913
Finance & Administration	687,831	699,039	(11,208)	(1.6%)	681,625
Member & Communication Services	582,323	660,209	(77,886)	(11.8%)	630,869
Professional Standards	37,675	56,243	(18,568)	(33.0%)	39,962
Total Non-labor Operating Expenses	<u>1,604,057</u>	<u>1,759,358</u>	<u>(155,301)</u>	<u>(8.8%)</u>	<u>1,699,369</u>
Total Operating Expenses	<u>4,596,693</u>	<u>4,875,959</u>	<u>(279,266)</u>	<u>(5.7%)</u>	<u>4,589,651</u>
Operating Income (Loss)	<u>(422,280)</u>	<u>(754,919)</u>	332,639	N/A	<u>(514,200)</u>
Nonoperating Revenue (Expenses)					
Investment Income	109,460	104,167	5,293	5.1%	127,939
Investment Income - Ret HC Trust	(11,329)	0	(11,329)	N/A	197,485
Net Nonoperating revenue (expenses)	<u>98,131</u>	<u>104,167</u>	<u>(6,036)</u>	<u>(5.8%)</u>	<u>325,424</u>
Increase (Decrease) in Net Position	<u>(324,149)</u>	<u>(650,752)</u>	<u>326,603</u>	N/A	<u>(188,776)</u>
Net Position - Beginning the Year	<u>12,217,220</u>	<u>12,217,220</u>	0	0.0%	<u>12,800,771</u>
Net Position - Year-to-Date	<u>\$11,893,071</u>	<u>\$11,566,468</u>	<u>\$326,603</u>	2.8%	<u>\$12,611,995</u>
Increase (Decrease) in Net Position Excluding Ret HC Trust Inv. Income	(312,820)	(650,752)	337,932	(51.9%)	(386,261)

State Bar of Michigan Administrative Fund
Revenues, Expenses and Net Assets
FY 2020 - Year-End Forecast
Updated March 23, 2020

	FY 2020 Year-End Forecast	FY 2020 Budget	Variance	Percentage	FY 2019 Actual
Operating Revenue					
- License Fees, Dues & Related	7,763,000	7,757,000	6,000	0.1%	7,750,310
- All Other Op Revenue	1,596,450	1,581,450	15,000	0.9%	1,601,165
Total Operating Revenue	<u>9,359,450</u>	<u>9,338,450</u>	<u>21,000</u>	<u>0.2%</u>	<u>9,351,475</u>
Operating Expenses					
- Labor-related Operating Expenses					
Salaries	5,361,927	5,441,927	(80,000)	(1.5%)	5,051,419
Benefits, PR Taxes, and Ret HC Exp	1,865,512	1,910,512	(45,000)	(2.4%)	1,833,191
Total Labor-related Operating Expenses	<u>7,227,439</u>	<u>7,352,439</u>	<u>(125,000)</u>	<u>(1.7%)</u>	<u>6,884,610</u>
- Non-labor Operating Expenses					
Executive Offices	842,169	842,169	0	0.0%	781,548
Finance & Administration	1,362,175	1,357,175	5,000	0.6%	1,246,714
Member & Communication Services	1,666,913	1,666,913	0	0.0%	1,529,513
Professional Standards	163,435	163,435	0	0.0%	123,002
Total Non-labor Operating Expenses	<u>4,034,692</u>	<u>4,029,692</u>	<u>5,000</u>	<u>0.1%</u>	<u>3,680,777</u>
Total Operating Expenses	<u>11,262,131</u>	<u>11,382,131</u>	<u>(120,000)</u>	<u>(1.1%)</u>	<u>10,565,387</u>
Operating Income (Loss)	<u>(1,902,681)</u>	<u>(2,043,681)</u>	141,000	N/A	<u>(1,213,912)</u>
Nonoperating Revenue (Expenses)					
Investment Income	175,000	250,000	(75,000)	(30.0%)	249,731
Investment Income - Ret HC Trust*	0	0	0	N/A	384,630
Loss on Disposal of Capital Assets	0	0	0	N/A	(4,000)
Net Nonoperating Revenue (Expenses)	<u>175,000</u>	<u>250,000</u>	<u>(75,000)</u>	<u>(30.0%)</u>	<u>630,361</u>
Increase (Decrease) in Net Position	<u><u>(1,727,681)</u></u>	<u><u>(1,793,681)</u></u>	<u><u>66,000</u></u>	<u><u>N/A</u></u>	<u><u>(583,551)</u></u>

Operating Revenue forecast

- Expect to be over in license fee revenues (primarily late fees) by \$6k and LRS fees by \$15k

Labor forecast:

- Salaries - Expect to be under due to vacancies by \$80k
- Benefits - Expect to be under due to vacancies and health care plan assumptions by \$45k

Nonlabor forecast:

- Executive Offices - No forecast issues at this time
- Finance & Administration - Expect to be under in Facilities by \$10K and over in Finance by \$5K due to credit card fees.
- Member Services & Communications - No forecast issues at this time
- Professional Standards - No forecast issues at this time

Non-Operating Income forecast:

- Investment Income - Expect to be under due to lower interest rates.
- Retiree Health Care Trust Investment income was not budgeted nor forecast

State Bar of Michigan
Administrative Fund
FY 2020 Capital Expenditures vs Budget
For the Five Months Ending February 29, 2020

	YTD Actual	YTD Budget	YTD Variance	Variance Explanations	Total Approved FY 2020 Budget	FY 2020 Year-End Forecast	Projected Year-end Variance
Building and Equipment							
Elevator Modernization	110,779	110,800	(21)	Will be over on cab interior offset by Facilities operating expense	120,000	129,000	9,000
Replacement of floor copiers	0	0	0		35,000	35,000	0
Information Technology							
Network Firewalls (2)	0	0	0		25,000	25,000	0
Receivership /Interim Administrator Program Data Portal	0	0	0		30,000	30,000	0
E-commerce store (Phase 1)	12,425	12,000	425		20,000	20,000	0
e-service application for court e-filing (e-mail addresses)	0	0	0		10,000	10,000	0
Firm billing/invoices for dues	0	0	0		10,000	10,000	0
Firm administration application	0	0	0		10,000	10,000	0
Lawyer referral consumer portal (Ph 3)	17,500	17,500	0		40,000	40,000	0
UPL Portal (Phase 1)	0	0	0		20,000	20,000	0
Volunteer Application Portal	2,500	0	2,500				
CPF Fund Portal (Phase 1)	0	0	0		30,000	30,000	0
Website functionality enhancements	9,950	10,000	(50)		10,000	10,000	0
Unspecified underages		0	0	Budgeted projects will be under but not specified at this time	0	(32,500)	(32,500)
Illinois State Bar LRS Portal Build	2,500	0	2,500	Not budgeted, project continued from last year	0	2,500	2,500
Character & Fitness BLE Portal	30,000	0	30,000	Not budgeted, project continued from last year	0	30,000	30,000
Total	\$185,654	\$150,300	\$35,354		\$360,000	\$369,000	\$9,000

Note: Any overages on unbudgeted projects will be offset by other project underages.

**STATE BAR OF MICHIGAN
CLIENT PROTECTION FUND**

Unaudited and For Internal Use Only

**FINANCIAL REPORTS
February 29, 2020**

FY 2020

Note: License fee revenue is recognized and budgeted as earned each month throughout the year.

State Bar of Michigan
Client Protection Fund
Comparative Statement of Net Assets
For the Months Ending January 31, 2020 and February 29, 2020
FY 2020

	Jan 31, 2020	Feb 29, 2020	Increase (Decrease)	%	Beginning of FY 2020 October 1, 2019
Assets					
Cash	1,959,224	\$1,953,763	(5,461)	(0.3%)	855,120
Investments (CD's & CDARS)	250,000	250,000	0	0.0%	1,053,412
Accounts Receivable (Recoveries)	165,421	164,628	(793)	(0.5%)	159,875
Due from (to) Administrative Fund	1,815	(772)	(2,587)	(142.5%)	7,740
Accrued Interest Receivable	2,122	2,678	556	26.2%	7,314
Total Assets	\$ 2,378,582	\$ 2,370,297	\$ (8,285)	(0.4%)	\$ 2,083,461
Liabilities					
Accounts Payable	0	0	0	N/A	0
Unearned Revenue	417,405	370,070	(47,335)	(11.3%)	86,670
Total Liabilities	\$ 417,405	\$ 370,070	\$ (47,335)	(11.3%)	\$ 86,670
Net Position					
Net Position at Beginning of Year	1,996,791	1,996,791	0	0.0%	2,009,754
Increase (Decrease) in Net Position	(35,614)	3,436	39,050	N/A	(12,963)
Total Net Position	1,961,177	2,000,227	39,050	2.0%	1,996,791
Total Liabilities and Net Position	\$ 2,378,582	\$ 2,370,297	\$ (8,285)	(0.4%)	\$ 2,083,461

* Note: In addition, there are authorized but unpaid claims totaling \$6,100 awaiting signatures of subrogation agreements.

State Bar of Michigan
Client Protection Fund
Statement of Revenue, Expenses, and Changes in Net Assets
For the five months ending February 29, 2020
FY 2020

	FY 2020 YTD	Last Year FY 2019 YTD
Revenue		
Contributions Received	420	18,234
Member Fee Assessment	270,910	268,175
Pro Hac Vice Fees	5,790	6,045
Claims Recovery	30,355	3,525
Miscellaneous Income	0	0
Total Revenue	307,475	295,979
Expense		
Claims Payments *(See note below)	224,475	331,805
Administrative Fee	90,833	88,333
Litigation and Miscellaneous Expense	255	0
Total Expense	315,563	420,138
Operating Income (Loss)	(8,088)	(124,159)
Investment Income	11,524	10,033
Increase (Decrease) in Net Position	3,436	(114,126)
Net Position - Beginning of the Year	1,996,791	
Net Position - End of the Period	2,000,227	

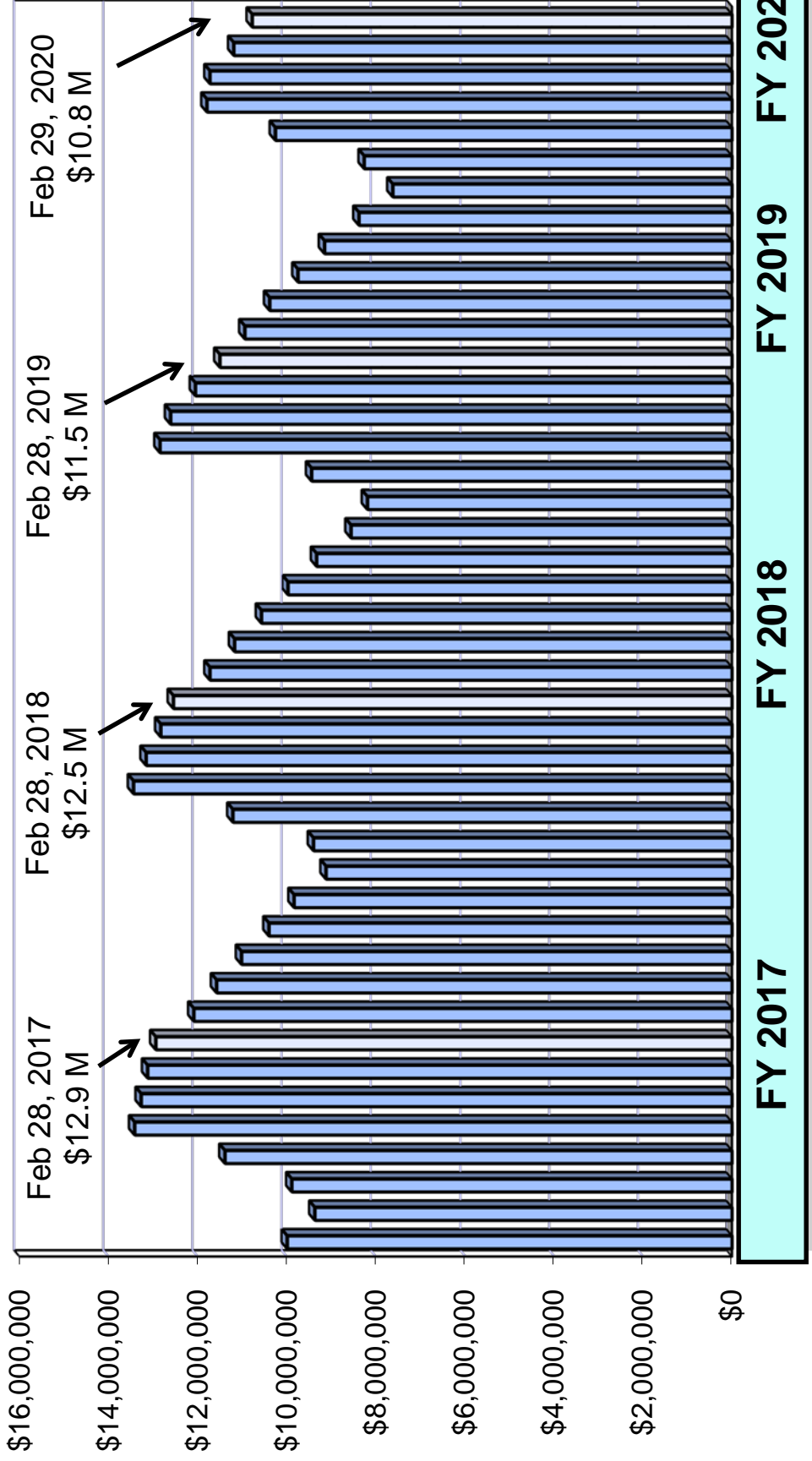
* Note: In addition, there are authorized but unpaid claims totaling \$6,100 awaiting signatures of subrogation agreements.

SBM Cash & Investment Balances

SBM Cash & Investment Balances

Excluding Sections, Client Protection Fund & Retiree Health Care Trust

February 29, 2020 - \$10.8M



FY 2017 FY 2018 FY 2019 FY 2020

Note: The State Bar has no bank debt outstanding.

Summary of Cash and Investment Balances by Financial Institution
2/29/2020

Assets	Bank Rating	Financial Institution Summary	Interest Rates	Fund Summary
		SBM Chase Checking \$ 182,287.02		Client Protection Fund \$ 2,203,762.63
		SBM Chase Credit Card \$ 133,196.50		State Bar Admin Fund \$ 14,027,734.51
		SBM Chase E Checking \$ -		(including Sections)
		SBM Chase Payroll \$ -		Attorney Discipline System \$ 5,769,685.62
		SBM Chase Savings \$ 209,239.25	0.18%	SBM Retiree Health Care Trust \$ 3,485,446.31
		ADS Chase Checking \$ 8,643.48		ADB Retiree Health Care Trust \$ 975,551.95
		CPF Chase Checking \$ 17,223.60		AGC Retiree Health Care Trust \$ 3,462,046.51
		CPF Chase Savings \$ 28,441.35	0.18%	Total \$ 29,924,227.53
\$2.73 Trillion	5 stars	** Chase Totals \$ 579,031.20		
		ADS Bank of America Petty Cash \$ 2,406.59	0.00%	
\$2.38 Trillion	4 stars	Bank of America Totals \$ 2,406.59		
		SBM Fifth Third Commercial Now \$ 35,029.09	0.00% *	
\$171 Billion	4 stars	Fifth Third Totals \$ 35,029.09		
		Grand River Bank Money Market \$ 11,416.60	1.00%	
\$223 Million	5 stars	Grand River Bank Totals \$ 11,416.60		
		Grand River Bank Total w/CD \$ 496,416.60		
		Sterling Bank \$ 2,330.38	0.40%	
\$2.96 Billion	5 stars	Sterling Bank Total \$ 2,330.38		
		Sterling Bank Total w/CD \$ 942,330.38		
		Citizens Bank Checking \$ 10,000.00		
\$155 Billion	5 stars	Citizens Bank Money Market \$ 2,031,804.15	1.50%	
		Citizens Bank Totals \$ 2,041,804.15		
		MSUCU Savings \$ 8.92	0.10%	
\$4.2 Billion	5 stars	MSUCU Checking \$ 25,501.42	0.00%	
		MSU Credit Union Total \$ 25,510.34		
		MSU Credit Union Total w/CD \$ 1,925,510.34		
		SBM Flagstar ICS Checking \$ 4,803,536.30	1.40%	
		ADS Flagstar ICS Checking Account \$ 5,763,492.74	1.40%	
		CPF Flagstar ICS Checking \$ 1,908,097.68	1.40%	
		CPF Flagstar CDARS - 12 Month \$ 250,000.00	1.35%	
\$22 Billion	5 stars	Flagstar Bank Totals \$ 12,725,126.72		
				Maturity
\$21.5 Billion	4 stars	SBM - CD Chemical Bank \$ 250,000.00	1.75%	07/25/21
		SBM - CD Chemical Bank \$ 250,000.00	1.75%	07/25/21
		SBM - CD Chemical Bank \$ 250,000.00	1.75%	07/25/21
	5 stars	SBM - Grand River Bank \$ 253,527.69	2.50%	05/11/21
		SBM - Grand River Bank \$ 245,000.00	2.75%	10/17/20
\$4 Billion	5 stars	SBM-CD Horizon Bank \$ 245,000.00	2.81%	03/19/20
		SBM-CD Horizon Bank \$ 245,000.00	2.81%	03/19/20
		SBM-CD Horizon Bank \$ 250,000.00	2.66%	04/25/21
		SBM-CD Horizon Bank \$ 250,000.00	2.66%	04/25/21
		SBM-CD Horizon Bank \$ 250,000.00	2.48%	04/25/20
		SBM-CD Horizon Bank \$ 250,000.00	2.48%	04/25/20
\$1.36 Billion	3.5 stars	SBM-CD First National Bank of America \$ 240,000.00	2.35%	10/12/20
		SBM-CD First National Bank of America \$ 245,000.00	2.35%	10/16/20
		SBM-CD First National Bank of America \$ 240,000.00	1.85%	10/16/20
		SBM-CD First National Bank of America \$ 240,000.00	1.85%	10/16/20
	5 stars	SBM-CD Sterling Bank \$ 245,000.00	2.50%	06/27/20
		SBM-CD Sterling Bank \$ 245,000.00	2.50%	06/27/20
		SBM-CD Sterling Bank \$ 245,000.00	2.50%	06/27/20
		SBM-CD Sterling Bank \$ 240,000.00	2.50%	06/27/20
	5 stars	SBM-CD MSU Credit Union \$ 235,000.00	2.05%	10/25/20
		SBM-CD MSU Credit Union \$ 235,000.00	2.05%	10/25/20
		SBM-CD MSU Credit Union \$ 235,000.00	2.05%	10/25/20
		SBM-CD MSU Credit Union \$ 235,000.00	2.05%	10/25/20
		SBM-CD MSU Credit Union \$ 240,000.00	2.00%	11/21/20
		SBM-CD MSU Credit Union \$ 240,000.00	2.00%	11/21/20
		SBM-CD MSU Credit Union \$ 240,000.00	2.00%	11/21/20
		SBM-CD MSU Credit Union \$ 240,000.00	2.00%	11/21/20
		Bank CD Totals \$ 6,578,527.69		
		Total Cash & Investments (excluding Schwab) \$ 22,001,182.76		
		SBM - Charles Schwab (Ret HC Trust) \$ 3,485,446.31		Mutual Funds
		ADB - Charles Schwab (Ret HC Trust) \$ 975,551.95		Mutual Funds
		AGC - Charles Schwab (Ret HC Trust) \$ 3,462,046.51		Mutual Funds
		Charles Schwab Totals \$ 7,923,044.77		
		Grand Total (including Schwab) \$ 29,924,227.53		
		Total amount of cash and investments (excluding Schwab) not FDIC insured \$ 7,190,092.67		32.68%

State Bar Admin Fund Summary

Cash and Investments	\$ 14,027,734.51
Less:	
Due (to)/from Sections	(3,254,906.26)
Due (to)/from CPF	771.57
Due to Sections and CPF Net Administrative Fund	\$ (3,254,134.69)
	\$ 10,773,599.82

SBM Average Weighted Yield: 1.76%
ADS Average Weighted Yield: 1.40%
CPF Average Weighted Yield: 1.37%

Maturity

Note: average weighted yields exclude retiree health care trusts

Notes:

- All amounts are based on reconciled book balance and interest rates as of 02/29/20
- CDARS are invested in multiple banks up to the FDIC limit for each bank
- Funds held in bank accounts are FDIC insured up to \$250,000 per bank
- The SBM funds held with Charles Schwab in the Retiree Health Care Trusts are invested in 80% equity and 20% fixed income mutual funds
- As of 02/29/2020, the funds held by SBM attributable to ADS was **(\$4,857.19)**
- Bank Star rating from Bauer Financial.

*Lockbox fees are offset by 0.40% (annual rate) on average monthly balance.
**Actual unreconciled Chase balance per statements was \$533,333.61

Monthly SBM Member Report - February 29, 2020

FY 2020

Attorney Members and Affiliates in Good Standing	September 30 2014	September 30 2015	September 30 2016	September 30 2017	September 30 2018	September 30 2019	February 29 2020	FY Increase (Decrease)
Active	41,093	41,608	41,921	42,100	42,342	42,506	42,069	(437)
Less than 50 yrs serv	40,036	40,490	40,725	40,833	40,973	41,036	40,455	(581)
50 yrs or greater	1,057	1,118	1,196	1,267	1,369	1,470	1,614	144
Voluntary Inactive	1,211	1,218	1,250	1,243	1,169	1,139	1,212	73
Less than 50 yrs serv	1,184	1,195	1,230	1,217	1,142	1,105	1,175	70
50 yrs or greater	27	23	20	26	27	34	37	3
Emeritus	1,552	1,678	1,841	1,973	2,204	2,447	2,715	268
Total Attorneys in Good Standing	43,856	44,504	45,012	45,316	45,715	46,092	45,996	(96)
Dues Paying Members (Active & Inactive less than 50 yrs of Serv)	41,220	41,685	41,955	42,050	42,115	42,141	41,630	(511)
Affiliates								
Legal Administrators	14	13	13	13	10	10	10	0
Legal Assistants	413	425	405	400	401	393	408	15
Total Affiliates in Good Standing	427	438	418	413	411	403	418	15
Total Attorney Members and Former Members in the Database								
State Bar of Michigan Member Type								
Attorney Members in Good Standing:								
ATA (Active)	41,093	41,608	41,921	42,100	42,342	42,506	42,069	(437)
ATV (Voluntary Inactive)	1,211	1,218	1,250	1,243	1,169	1,139	1,212	73
ATE (Emeritus)	1,552	1,678	1,841	1,973	2,204	2,447	2,715	268
Total Members in Good Standing	43,856	44,504	45,012	45,316	45,715	46,092	45,996	(96)
Attorney Members Not in Good Standing:								
ATN (Suspended for Non-Payment of Dues)	5,427	5,578	5,743	5,888	6,072	6,246	6,555	309
ATDS (Discipline Suspension - Active)	407	415	418	430	439	440	448	8
ATDI (Discipline Suspension - Inactive)	12	11	18	19	19	24	25	1
ATDC (Discipline Suspension - Non-Payment of Court Costs)	1	3	3	16	15	16	16	0
ATNS (Discipline Suspension - Non-Payment of Other Costs)	83	92	99	94	95	98	100	2
ATS (Attorney Suspension - Other)*	1	1	1	0	1	1	2	1
ATR (Revoked)	521	517	534	562	583	596	603	7
ATU (Status Unknown - Last known status was inactive)**	2,088	2,076	2,074	2,070	2,070	2,070	2,070	0
Total Members Not in Good Standing	8,540	8,693	8,890	9,079	9,294	9,491	9,819	328
Other:								
ATSC (Former special certificate)	136	140	145	152	155	157	158	1
ATW (Resigned)	1,429	1,483	1,539	1,612	1,689	1,798	1,898	100
ATX (Deceased)	8,127	8,445	8,720	9,042	9,287	9,524	9,679	155
Total Other	9,692	10,068	10,404	10,806	11,131	11,479	11,735	256
Total Attorney Members in Database	62,088	63,265	64,306	65,201	66,140	67,062	67,550	488

* ATS is a new status added effective August 2012 - suspended by a court, administrative agency, or similar authority

** ATU is a new status added in 2010 to account for approximately 2,600 members who were found not to be accounted for in the IMIS database. The last known status was inactive and many are likely deceased. We are researching these members to determine a final disposition.

N/R - not reported

Notes: Through February 29, 2020, a total of 493 new members joined the SBM in FY 2020. In addition, in February there were 418 active and 51 inactive members suspended for license fees

To: Board of Commissioners, State Bar of Michigan
Members, Attorney Discipline Board
Commissioners, Attorney Grievance Commission

From: Trustee of the State Bar of Michigan Retirement Plan and 457(b) Plan

Subject: 2019 Annual Report - State Bar of Michigan Retirement Plan and 457(b) Plan

Date: March 12, 2020

CC: Janet K. Welch, SBM Executive Director
Alerus Retirement Solutions/Alerus Financial N.A.

Pursuant to Section 5.7 of the State Bar of Michigan Retirement Plan, an Annual Report of the Trustee is required:

“(a) Within a reasonable period of time after the later of the Anniversary Date or receipt of the Employer contribution for each Plan Year, the Trustee, or its agent, shall furnish to the Employer and Administrator a written statement of account with respect to the Plan Year for which such contribution was made setting forth:

- 1) the net income, or loss, of the Trust Fund;*
- 2) the gains, or losses, realized by the Trust Fund upon sales or other disposition of the assets;*
- 3) the increase, or decrease, in the value of the Trust Fund;*
- 4) all payments and distributions made from the Trust Fund; and*
- 5) such further information as the Trustee and/or Administrator deems appropriate.*

(b) The Employer, promptly upon its receipt of each such statement of account, shall acknowledge receipt thereof in writing and advise the Trustee and/or Administrator of its approval or disapproval thereof. Failure by the Employer to disapprove any such statement of account within thirty (30) days after its receipt thereof shall be deemed an approval thereof. The approval by the Employer of any statement of account shall be binding on the Employer and the Trustee as to all matters contained in the statement to the same extent as if the account of the Trustee had been settled by judgment or decree in an action for a judicial settlement of its account in a court of competent jurisdiction in which the Trustee, the Employer and all persons having or claiming an interest in the Plan were parties. However, nothing contained in this Section shall deprive the Trustee of its right to have its accounts judicially settled if the Trustee so desires.”

The State Bar of Michigan Retirement Plan and 457(b) Plan are available to eligible employees of the State Bar of Michigan, Attorney Discipline Board, and Attorney Grievance Commission. The plans' assets (employer and employee contributions, and qualified rollovers) are invested in various mutual funds approved by the Trustee at the direction of each employee in the plans and held by the State Bar of Michigan Retirement Plan and 457(b) Plan for the benefit of the participants.

Alerus Financial N.A. is the record keeper, custodian, paying agent and third-party administrator for the retirement plans and Fidelity serves as the trading agent for the plans' assets. Alerus Financial, N.A. also serves as an investment co-fiduciary for the purpose of providing investment recommendations and monitoring services in accordance with the terms of the investment policy statement.

The SBM Retirement Plan is a 401(a) plan and is used for employer contributions. As of December 31, 2019, there were 132 participants with balances in the 401(a) plan. The 457(b) Plan is used for employee contributions. As of December 31, 2019, there were 128 participants with balances in the 457(b) Plan.

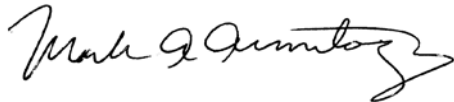
The Co-Trustees of the State Bar of Michigan Retirement Plan and 457(b) Plan met twice during 2019 to review investment performance, decide on the addition of investment funds offered, update the plan documents, review loan and withdrawal requests, and handle other administrative matters pertaining to the plans.

A summary of the financial information for both plans for 2019, provided by Alerus, is attached. The minutes of the 2019 Trustee meetings are also attached.

Please direct all inquiries to Mark Armitage, Chairperson of the Trustee of the State Bar of Michigan Retirement Plan and 457(b) Plan, at (313) 963-5553.

Sincerely,

The Co-Trustees of the State Bar of Michigan Retirement Plan and 457(b) Plan:



Mark A. Armitage, Chairperson, Co-Trustee, and ADB Executive Director



Michael V. Goetz, Co-Trustee and AGC Grievance Administrator



Kathryn Hennessey, Recording Secretary, Co-Trustee, and SBM General Counsel



Jeanette L. Socia, Co-Trustee and SBM Human Resources Director



James C. Horsch, Co-Trustee and SBM Director of Finance & Administration

State Bar of Michigan Retirement Plan - 2019

	Beginning Balance 01/01/19	Gains & Losses	Contributions	Withdrawals	Transfers	Ending Balance 12/31/19
Employee Deferrals	\$ 967,590.33	\$ 221,668.94	\$ -	\$ (61,710.12)	\$ 2,300.68	\$ 1,129,849.83
Employer Match	2,267,594.39	468,376.08	212,717.95	(86,994.99)	30,590.65	2,892,284.08
Employer Contribution	3,657,341.61	726,921.65	314,395.73	(172,750.12)	59,120.28	4,585,029.15
Employer Discretionary	803,054.46	173,777.22	13,999.44	(5,800.05)	6,270.39	991,301.46
Rollovers	392,434.00	88,569.65	-	-	3,026.77	484,030.42
Loans	\$ 250,558.00	\$ 15,121.25	\$ -	\$ 101,482.00	\$ (114,085.70)	\$ 253,075.55
Total	\$ 8,338,572.79	\$ 1,694,434.79	\$ 541,113.12	\$ (225,773.28)	\$ (12,776.93)	\$ 10,335,570.49

State Bar of Michigan 457(b) Plan - 2019

	Beginning Balance 01/01/19	Gains & Losses	Contributions	Withdrawals	Transfers	Ending Balance 12/31/19
Employee Deferrals	\$ 6,458,983.77	\$ 1,530,420.08	\$ 524,954.69	\$ (38,073.48)	\$ -	\$ 8,476,285.06
Total	\$ 6,458,983.77	\$ 1,530,420.08	\$ 524,954.69	\$ (38,073.48)	\$ -	\$ 8,476,285.06

- Notes: 1) There were a total of 21 loans outstanding involving 21 employees in the 401a Retirement Plan at the end of 2019.
2) There were a total of 132 participants with balances at the end of 2019 in the 401a Retirement plan, an increase of 5 participants in 2019.
3) There were a total of 128 participants with balances in the 457(b) plan at the end of 2019, an increase of 6 participants in 2019.
4) There were a total of 8 withdrawals - 2 separation, 2 in-service, 4 RMD's, 0 QDROs, 0 beneficiary, and 0 hardship withdrawals from the 401a Retirement Plan; and 6 withdrawals - 2 separation, 2 In-Service, 0 beneficiary, and 2 RMDs from the 457(b) Plan during 2019.
5) Gains and losses are shown net of realized and unrealized gains and losses
6) There were 2 forfeitures during 2019. A separate Forfeiture reconciliation has been provided. Forfeitures are used to offset Plan administration expenses and Employer contributions owed. The total amount in the forfeiture account as of 12/31/2019 was \$0.
7) Ending balances and activity are based on an "effective date" of 12/31/19, which includes all activity that would have been effective during 2019, with the exception of the receivable amounts

MINUTES

Trustees - SBM Retirement Plans
Wednesday, February 13, 2019
10:30 A.M., Room 3 of the State Bar of Michigan

1. Call to Order: Chairperson Horsch called the meeting to order at 10:35 A.M. Trustees Flood, Socia, and Gershel (arrived at 10:45 AM) were present in person and Trustees Armitage and Horsch were present by teleconference. Also present in person were Cindy Faulkner, Ted Valley, and Cameron Cichocki from Alerus.

2. Approval of Agenda: A motion was made, supported and passed unanimously to approve the Agenda as presented.

3. Approval of Minutes: A motion was made, supported and passed unanimously to approve the Minutes of the meeting of Wednesday, August 16, 2018.

4. Reports of Alerus representatives:

a. Watch List: There are no funds on the Watch List but Mr. Cichocki noted that the T. Rowe Price New Horizons fund had drifted from its original small cap category to its current mid-cap category and was likely to stay there, thereby raising the issue whether to replace it with a small cap fund or leave it but add a small cap fund. After a lengthy discussion, a motion made and seconded to simply add SPDR (a small cap fund) and otherwise leave things as they are. The motion passed but with Ms. Socia abstaining.

b. Service Category Benchmark: Ms. Faulkner presented a report benchmarking Alerus's cost of services against a host of other employer plans with approximately the same number of dollars invested in our plans and our expenses are at about the 50th percentile. Trustee Horsch requested a benchmark report of the two retirement accounts combined (401a and 457B). Ms. Faulkner agreed to provide this report.

c. Chargeback of fees: Ms. Faulkner and Trustee Socia reported that we cannot charge terminated employees a fee for participation in the plans without first changing the plan documents, which is not worth the expense. It was decided we will wait to make the necessary changes to the plan documents until an update is mandated and in the meantime, we will work with termed employees to move them to other plans or to personal IRA's.

5. Administrator's Report: Ms. Socia reported: a) there have been two new loans within the past six months, a total of 21 loans, and the current outstanding loan balance is \$254,000, b) there were \$300,000 in payouts to former participants who are no longer employed or employees over 70.5 years of age, c) Alerus was on site for employee investment counseling in December, with approximately 12 participants, and d) we added about \$500,000 to our plans over the past six months, \$237,000 from individual contributions.

6. Adjourn: A motion was made, supported and passed unanimously to adjourn. The meeting adjourned at 11:38 A.M.

The next scheduled meeting: Wednesday, August 14, 2019 at 10:30 A.M.

MINUTES

Trustees - SBM Retirement Plans
Wednesday, August 14, 2019
10:30 A.M., Room 3, State Bar of Michigan

1. Call to Order: Chairperson Horsch called the meeting to order at 10:30 AM. Trustees Flood, Horsch and Socia were present in person and Trustees Armitage and Edick were present by teleconference.

Cindy Faulkner of Alerus was also present in person.

2. Approval of Agenda: A motion was made, supported and passed unanimously to approve the Agenda as presented.

3. Approval of Minutes: A motion was made, supported and passed unanimously to approve the Minutes of the meeting of Wednesday, February 13, 2019.

4. Report of Alerus representative:

- a. Ms. Faulkner provided Benchmarking Analysis data. She will provide us with some aggregate data aimed at similar sized funds as ours and also find out what percentage of plans in our categories voluntarily provide the information to the report's preparer (PlanTools) so we can have some insights on how meaningful the ranking/benchmarking is. She also mentioned that Alerus is coming out with a fee-for-service option that will allow participants to obtain specific financial planning advice at a cost of 45 basis points. More information will be coming this fall.
- b. Watch List: First Eagle Global A: A motion was made, supported and passed unanimously to accept the recommendation of Mr. Cichocki stated in the latest Quarterly Report and take no action for the reasons noted in the report.

5. Administrator's Report: Ms. Socia provided an oral report regarding loans and distributions (including one hardship distribution) since our last meeting. She reported that we have 20 termed individuals still in the plans, a reduction in two termed participants who have now left the plans.

6. Other: None.

7. Adjourn: A motion was made, supported and passed unanimously to adjourn. The meeting adjourned at 11:03 A.M.

The next scheduled meeting: Wednesday, February 19, 2020 at 10:30 A.M.

TO: Board of Commissioners
FROM: Professional Standards Committee
DATE: April 24, 2020, BOC Meeting
RE: Client Protection Fund Claims for Consent Agenda

Rule 15 of the Client Protection Fund Rules provides that “claims, proceedings and reports involving claims for reimbursement are confidential until the Board authorizes reimbursement to the claimant.” To protect CPF claim information as required in the Rule, and to avoid negative publicity about a lawyer subject to a claim, which has been denied and appealed, the CPF Report to the Board of Commissioners is designated “confidential.”

**CONSENT AGENDA
 CLIENT PROTECTION FUND**

Claims recommended for payment:

a. Consent Agenda

Rec. No.	Claim No.	Amt. Recommended
1.	CPF 3332	\$1,000.00
2.	CPF 3339	\$2,500.00
3.	CPF 3341	\$2,000.00
4.	CPF 3354	\$2,250.00
5.	CPF 3358	\$3,750.00
6.	CPF 3359	\$500.00
7.	CPF 3386	\$700.00
8.	CPF 3402	\$3,500.00
9.	CPF 3439	\$9,500.00
10.	CPF 3468	\$4,666.67
11.	CPF 3487	\$6,000.00
12.	CPF 3503	\$765.00
13.	CPF 3526	\$2,500.00
14.	CPF 3620	\$750.00
15.	CPF 3637	\$1,955.50
	Total	\$42,337.17

b. Supporting documentation is provided separately.

The Professional Standards Committee recommends payment of these claims by the State Bar of Michigan Client Protection Fund:

1. CPF 3332 \$1,000.00

Claimant retained Respondent for representation in an immigration matter and Respondent completed the services. Claimant then retained Respondent under a new Agreement for representation in a National Visa Center (NVC) matter and paid \$1,000. Respondent did not provide any services under the new Agreement before being disbarred. Respondent's failure to refund the unearned fee constitutes dishonest conduct and is a reimbursable loss under CPF Rules 9(C)(1) and 9(D)(6).

2. CPF 3339 \$2,500.00

Claimant paid Respondent \$3,000 for representation in an immigration matter. The Engagement Letter states that \$500 of the engagement fee is nonrefundable. Nonrefundable retainers are ethically permissible if the fee agreement is unambiguous, *Grievance Adm'r v Cooper*, 757 NW2d 867 (Mich 2008). Respondent completed some legal services but could not complete the representation due to being disbarred. Based on the agreement, total amount paid, services rendered, and those Respondent could not provide, the amount paid over-and-above the \$500 non-refundable engagement fee was deemed unreasonable or excessive contrary to MPRC 1.5(a). Respondent's failure to refund the unearned portion of the engagement fee constitutes dishonest conduct and is a reimbursable loss under CPF Rules 9(C)(1) and 9(D)(6).

3. CPF 3341 \$2,000.00

Claimant retained Respondent for representation in an immigration matter for a fee of \$6,000. Claimant paid \$5,000. The Engagement Letter states that \$3,000 of the engagement fee is nonrefundable. Respondent filed an I-589. In light of the services provided; a refund of the full \$5,000 fee paid to Respondent would be unjust enrichment. However, only \$3,000 was non-refundable and the services were not complete, as such Respondent's failure to return the \$2,000 unearned fee is dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C)(1) and 9(D)(6).

4. CPF 3354 \$2,250.00

Claimant retained Respondent for representation in an immigration matter for an engagement fee of \$6,000. Claimant paid \$5,250. Their Agreement states that \$3,000 of the engagement fee is nonrefundable. Nonrefundable retainers are ethically permissible if the fee agreement is unambiguous, *Grievance Adm'r v Cooper*, 757 NW2d 867 (Mich 2008). Respondent completed some of the legal services but could not complete the representation before being disbarred. Based on the agreement, total amount paid, services rendered, and those Respondent could not provide due to being suspended and later disbarred, the amount paid over-and-above the \$3,000 non-refundable engagement fee may be deemed unreasonable or excessive contrary to MPRC 1.5(a). Respondent's failure to refund the unearned portion of the engagement fee constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C)(1) and 9(D)(6).

5. CPF 3358 \$3,750.00

Claimant retained Respondent in an immigration matter and paid Respondent \$5,000. Respondent filed the I-589, completing one of the four agreed upon filings. Respondent did not file the remaining documents before being disbarred. Respondent's failure to return the unearned portion of the advanced fee constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C)(1) and 9(C)(6).

6. CPF 3359 \$500.00

Claimant retained Respondent in an immigration matter for a fee of \$2,500. Claimant paid Respondent \$500 towards the agreed upon fee. Respondent did not file the Application before being disbarred. Respondent's failure to return the unearned fee advanced constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C)(1) and 9(C)(6).

7. CPF 3386 \$700.00

Claimant retained Respondent regarding an immigration matter. Respondent completed some services before claimant requested a refund. Respondent mailed an itemized invoice showing a total paid of \$5,300, charges totaling \$3,250 and a refund of \$2,050; however, Respondent received \$6,000. Respondent's failure to return the unaccounted for \$700 constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C)(1) and 9(C)(6).

8. CPF 3402 \$3,500.00

Claimant retained Respondent in an immigration matter and paid \$3,500 towards the agreed upon fee. The Engagement Letter states that \$3,000 of the engagement fee is nonrefundable. Nonrefundable retainers are ethically permissible if the fee agreement is unambiguous, *Grievance Adm'r v Cooper*, 757 NW2d 867 (Mich 2008). Respondent did not provide any legal services due to being disbarred. Respondent's failure to return the unearned fee constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C)(1) and 9(C)(6).

9. CPF 3439 \$9,500.00

Claimant retained Respondent for representation in three separate lawsuits and paid a flat fee of \$9,500. The fee agreement provided for the filing of appeals in two of the three matters. Respondent filed one of the three suits, which was dismissed due to the defendant filing bankruptcy. Respondent also filed a Motion to Re-Open and a Brief in Support, which was denied. Respondent died before filing an appeal as provided for in the fee agreement and before filing either of the other two suits. Respondent's failure to ensure that the unearned flat fee was returned constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C)(1) and 9(D)(6). Approval of this claim requires the application of CPF Rule 9(F) to waive the one-year filing deadline under CPF Rule 9(B).

10. CPF 3468 \$4,666.67

Claimant retained Respondent for representation regarding appointment as next friend for two minor children related to injuries incurred in an auto accident. Respondent received a settlement check for \$7,000 but did not remit the two-thirds of settlement proceeds to Claimant or the minor children. Respondent's failure to remit the settlement proceeds constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C)(1). Approval of this claim requires the application of CPF Rule 9(F) to waive the one-year filing deadline under CPF Rule 9(B).

11. CPF 3487 \$6,000.00

Claimant retained Respondent for representation regarding an automobile accident. Respondent settled the lawsuit without Claimant's knowledge or consent, forging Claimant's signature, for \$6,000 and misappropriated the settlement proceeds. Respondent's failure to pay the medical providers or disburse the settlements funds to the Claimants constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rule 9(C)(1). CPF Policy allows for the waiver of attorney fees if it is determined that respondent settled the matter without the claimant's permission. Respondent did not inform claimant of the settlement, and respondent absconded with the settlement proceeds. Approval of this claim requires the application of CPF Rule 9(F) to waive the one-year filing deadline under CPF Rule 9(B).

12. CPF 3503 \$765.00

Claimant retained Respondent to file a bankruptcy for a fee of \$765. Respondent met with Claimant twice and then abandoned the representation. Respondent's failure to return the unearned fee constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C)(1) and 9(C)(6).

13. CPF 3526 \$2,500.00

Claimant retained Respondent for representation regarding a real property matter for a flat fee of \$2,500. Respondent met with Claimant four times and drafted a Claim of Lien prior to passing away unexpectedly. The draft lien was provided to Claimant after Respondent's death. The failure of Respondent, law firm, or estate to return the unearned portion of the fee constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C)(1) and 9(C)(6).

14. CPF 3620 \$750.00

Claimant retained Respondent for representation in a post-conviction appeal for \$750. Respondent admitted that no legal services were provided, and Claimant is due a full refund of the monies paid. Respondent's failure to return the unearned fee constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C)(1), 9(D)(6), and 11(B).

15. CPF 3637 \$1,995.50

Claimant retained Respondent for representation in connection with a water bill and paid \$2,350. Respondent obtained a favorable judgment and received the settlement proceeds but did not disburse any of the settlement proceeds until contacted by the police. At which time, he made a partial disbursement of \$7,828.83, leaving a balance due Claimant of \$1,955.50.

For all Claims, CPF staff is granted permission to adjust the amount payable on any claim listed above to reflect any payments made on behalf of the Respondent and received by the Claimant or payee before the Fund receives an executed subrogation agreement and issues a check, without further review.

Total payments recommended: \$48,337.17



**FROM THE COMMITTEE
ON MODEL CRIMINAL
JURY INSTRUCTIONS**

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The Committee on Model Criminal Jury Instructions solicits comment on the following proposal by May 1, 2020. Comments may be sent in writing to Samuel R. Smith, Reporter, Committee on Model Criminal Jury Instructions, Michigan Hall of Justice, P.O. Box 30052, Lansing, MI 48909-7604, or electronically to MCrimJI@courts.mi.gov.

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PROPOSED

The Committee proposes an instruction, M Crim JI 17.37, where the prosecutor has charged an offense found in MCL 750.411t involving the crime of “hazing.” The instruction is entirely new.

[NEW] M Crim JI 17.37 Hazing

(1) [The defendant is charged with / You may also consider the lesser offense of¹] hazing [causing physical injury / causing serious impairment of a body function / causing death]. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant [attended / was an employee of / was a volunteer with] [*identify educational institution*].

(3) Second, that [*name complainant*] was [pledging / being initiated into / affiliating with / participating in / holding office in / maintaining membership in] [*identify organization*] or attempting to [pledge / initiate into / affiliate with / participate in / hold office in / maintain membership in] [*identify organization*].

(4) Third, that when the defendant [attended / was an employee of / was a volunteer with] [*identify educational institution*], [he / she] engaged in or participated in an act of hazing [*name complainant*].

Hazing is an intentional, knowing or reckless act that the defendant knew or should have known would endanger the physical health or safety of [*name complainant*]. It does not matter whether the defendant acted alone or with others, and does not matter whether [*name complainant*] consented to or allowed the defendant to engage in or participate in the act.

Hazing includes² [physical brutality, such as whipping, beating, striking, branding, electronic shocking, placing of a harmful substance on the body, or similar activity / physical activity, such as sleep deprivation, exposure to the elements, confinement in a small space, or calisthenics, that would place another person at an unreasonable risk of harm or would adversely affect his or her physical health or safety / activity involving consumption of a food, liquid, alcoholic beverage, liquor, drug, or other substance that would place another person at an unreasonable risk of harm or would adversely affect his or her physical health or safety / activity that induces, causes, or requires an individual to perform a duty or task that involves committing a crime or an act of hazing].

Hazing does not include activity that is normal and customary in an athletic program, a physical education program, military training, or a similar program that is sanctioned by [*identify educational institution*].

(5) Fourth, the defendant must have committed the act of hazing for the purpose of pledging or initiating [*name complainant*] into [*identify organization*], or so that [*name complainant*] could be affiliated with, participate in, hold office in, or maintain membership in [*identify organization*].³

(6) Fifth, that the defendant's act of hazing caused [physical injury / serious impairment of body function / death] to [*name complainant*].

Serious impairment of a body function includes, but is not limited to, one or more of the following:⁴

- (a) Loss of a limb or loss of use of a limb.
- (b) Loss of a foot, hand, finger, or thumb or loss of use of a foot, hand, finger, or thumb.
- (c) Loss of an eye or ear or loss of use of an eye or ear.
- (d) Loss or substantial impairment of a bodily function.
- (e) Serious visible disfigurement.
- (f) A comatose state that lasts for more than 3 days.
- (g) Measurable brain or mental impairment.
- (h) A skull fracture or other serious bone fracture.
- (i) Subdural hemorrhage or subdural hematoma.
- (j) Loss of an organ.

Use Note

The Committee believes that questions of whether the institution where the defendant is employed or volunteers is an “educational institution” and whether the organization where the complainant is pledging fits within the definition provided in MCL 750.411t(7)(a) and (c) are legal matters that are not determined by the jury.

1. Use the second alternative only where the defendant has been charged with hazing causing serious impairment and the court is instructing on the lesser included offense of hazing causing physical injury.
2. The court need only provide alternatives that apply according to the charges and evidence.
3. The court may provide all of the statutory options in this paragraph or only the options that apply according to the evidence.
4. The definition of *serious impairment of a body function* is found in MCL 257.58c. It should only be provided where the court is instructing the jury on the elements of hazing causing serious impairment of a body function under MCL 750.411t(2)(b).

**Public Policy Position
M Crim JI 17.37**

SUPPORT

Explanation

The committee voted unanimously (15) to support the model criminal jury instruction as drafted. The instructions would be utilized when prosecutors charge a defendant with hazing, as defined by MCL 750.411t.

Position Vote:

Voted For position: 15

Voted against position: 0

Abstained from vote: 0

Did not vote (absent): 6

Contact Persons:

Mark A. Holsomback mahols@kalcouny.com

Sofia V. Nelson snelson@sado.org



**FROM THE COMMITTEE
ON MODEL CRIMINAL
JURY INSTRUCTIONS**

=====

The Committee on Model Criminal Jury Instructions solicits comment on the following proposal by May 1, 2020. Comments may be sent in writing to Samuel R. Smith, Reporter, Committee on Model Criminal Jury Instructions, Michigan Hall of Justice, P.O. Box 30052, Lansing, MI 48909-7604, or electronically to MCrimJI@courts.mi.gov.

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PROPOSED

The Committee proposes an instruction, M Crim JI 35.1a, where the prosecutor has charged an offense found in MCL 750.540e involving the crime of malicious use of a telecommunications service. The instruction is entirely new.

[NEW] M Crim JI 35.1a Malicious Use of Telecommunications Service

(1) The defendant is charged with the crime of malicious use of a telecommunications service. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant used [*identify service provider*] to communicate with [*identify complainant*].

(3) Second, that, when communicating with [*identify complainant*], the defendant [threatened physical harm or damage to any person or property / made a deliberately false report that a person had been injured, had suddenly taken ill, had died, or had been the victim of a crime or an accident / deliberately refused or failed to disengage a connection between telecommunications devices or between a telecommunications device and other equipment provided by a telecommunications service¹ or device / used vulgar, indecent, obscene, or offensive language or suggested any lewd or lascivious act in the course of the conversation or message / repeatedly initiated telephone calls and, without speaking, deliberately hung up or broke the telephone connection when or after the telephone call was answered / made an uninvited commercial telephone call soliciting business or contributions that was received between the hours of 9 p.m. and 9 a.m., whether the call was made by a person or recording device / deliberately engaged or caused to engage the use of (*identify complainant*)’s telecommunications service or device in a repetitive manner that

caused interruption in the telecommunications service or prevented (*identify complainant*) from using (his / her) telecommunications service or device].

(4) Third, that the defendant did so with the intent to terrorize, frighten, intimidate, threaten, harass, molest, annoy, or disturb the peace and quiet of [*identify complainant*].

Use Note

1. If the jury has not been provided with the definition of a “telecommunications service” and the court finds that it would be appropriate to do so, the following is suggested based on the wording of MCL 750.219a:

A “telecommunications service provider” is a person or organization providing a telecommunications service, such as a cellular, paging, or other wireless communications company, or a facility, cell site, mobile telephone switching office, or other equipment for a telecommunications service, including any fiber optic, cable television, satellite, Internet-based system, telephone, wireless, microwave, data transmission or radio distribution system, network, or facility, whether the service is provided directly by the provider or indirectly through any distribution system, network, or facility.

A “telecommunications service” is a system for transmitting information by any method, including electronic, electromagnetic, magnetic, optical, photo-optical, digital, or analog technologies.

A “telecommunications access device” is any instrument, including a computer circuit, a smart card, a computer chip, a pager, a cellular telephone, a personal communications device, a modem, or other component that can be used to receive or send information by any means through a telecommunications service.

**Public Policy Position
M Crim JI 35.1a**

SUPPORT

Explanation

The committee voted unanimously (15) to support the model criminal jury instruction as drafted. The jury instructions would be utilized in connection with charges under MCL 750.540e, the Malicious Use of Telecommunications Service. The proposed instruction would allow the court to provide the jury with a definition of “telecommunication services,” based on the wording of MCL 750.219a. The instructions would also clarify that in order to be charged with the crime, the defendant must have used a telecommunications provider to communicate directly with his or her intended target.

Position Vote:

Voted For position: 15

Voted against position: 0

Abstained from vote: 0

Did not vote (absent): 6

Contact Persons:

Mark A. Holsomback mahols@kalcounty.com

Sofia V. Nelson snelson@sado.org



**FROM THE COMMITTEE
ON MODEL CRIMINAL
JURY INSTRUCTIONS**

=====

The Committee on Model Criminal Jury Instructions solicits comment on the following proposal by June 1, 2020. Comments may be sent in writing to Samuel R. Smith, Reporter, Committee on Model Criminal Jury Instructions, Michigan Hall of Justice, P.O. Box 30052, Lansing, MI 48909-7604, or electronically to MCrimJI@courts.mi.gov.

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PROPOSED

The Committee proposes instructions M Crim JI 38.1, 38.4, and 38.4a where the prosecutor has charged an offense found in MCL 750.543f or 750.543m, which involve committing an act of terrorism, making a terrorist threat, or making a false report of terrorism. The instructions are entirely new.

[NEW] M Crim JI 38.1 Committing an Act of Terrorism

(1) The defendant is charged with the crime of committing a knowing and premeditated act of terrorism. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant committed the crime of [*state felony*].¹ For the crime of [*state felony*], the prosecutor must prove each of the following elements beyond a reasonable doubt: [*state elements of felony*].

(3) Second, that the defendant acted deliberately when committing the crime of [*state felony*], which means that the defendant considered the pros and cons of committing the crime and thought about it and chose [his / her] actions before [he / she] did it. There must have been real and substantial reflection for long enough to give a reasonable person a chance to think twice about committing the crime. The law does not say how much time is needed. It is for you to decide if enough time passed under the circumstances of this case, but committing the crime cannot have been the result of a sudden impulse without thought or reflection.

(4) Third, that the defendant knew or had reason to know that committing the felony was dangerous to human life, meaning that committing the felony would cause a substantial likelihood of death or serious injury, or that the felony involved a kidnapping.²

(5) Fourth, that, when committing the felony, the defendant intended to intimidate or coerce a civilian population, or influence or affect the conduct of government or a unit of government through intimidation or coercion.

[Use the following paragraph where it is charged that a death resulted from the defendant's actions]

(6) Fifth, that the commission of the felony caused the death of *[identify victim]*.

Use Note

1. Under MCL 750.543b(a)(i), an act of terrorism requires that the defendant must have committed a “violent felony.” The definitional statute provides in MCL 750.543b(h) that a “violent felony” is one that has an element of the use, attempted use, or threatened use of physical force against an individual, or of the use, attempted use, or threatened use of a harmful biological substance, a harmful biological device, a harmful chemical substance, a harmful chemical device, a harmful radioactive substance, a harmful radioactive device, an explosive device, or an incendiary device.

2. The definition of “dangerous to human life” is found at MCL 750.543b(b).

[NEW] M Crim JI 38.4 Making a Terrorist Threat

(1) The defendant is charged with the crime of making a threat to commit an act of terrorism. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant communicated with [*identify recipient(s) of communication*] by speech, writing, gestures, or conduct.

(3) Second, that during the course of the communication, the defendant threatened to commit an act of terrorism. A threat does not have to be stated in any particular terms but must express a warning of danger or harm.¹

To prove that the defendant threatened to commit an act of terrorism, the prosecutor must prove:

(A) that the defendant communicated that [he / she] would commit the felony crime of [*state felony*];²

(B) that the defendant knew or had reason to know that committing the felony would be dangerous to human life, meaning that committing the felony would cause a substantial likelihood of death or serious injury, or the felony involved a kidnapping;³

(C) that, by committing the felony, the defendant would intend to intimidate, frighten, or coerce a civilian population, or influence or affect the conduct of government or a unit of government through intimidation or coercion.

It does not matter whether the defendant actually could commit the felony or actually intended to commit the felony, but only whether the defendant threatened to commit the felony as an act of terrorism.

Use Note

1. Drawn from M Crim JI 21.3 and dictionary definitions.

2. Under MCL 750.543b(a)(i), an act of terrorism requires a “violent felony.” The definitional statute provides in MCL 750.543b(h) that a “violent felony” is one that has an element of the use, attempted use, or threatened use of physical force against an individual, or of the use, attempted use, or threatened use of a harmful biological substance, a harmful biological device, a harmful chemical substance, a harmful chemical device, a harmful radioactive substance, a harmful radioactive device, an explosive device, or an incendiary device.

3. The definition of “dangerous to human life” is found at MCL 750.543b(b).

[NEW] M Crim JI 38.4a Communicating a False Report of Terrorism

(1) The defendant is charged with the crime of communicating a false report of terrorism. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant communicated with [*identify recipient(s) of communication*] by speech, writing, gestures, or conduct.

(3) Second, that during the course of the communication, the defendant reported that an act of terrorism had occurred, was occurring, or would occur.

An act of terrorism means¹ committing the felony crime of [*state felony described in threat*], knowing that it would be dangerous to human life, with the intent to intimidate, frighten, or coerce a civilian population, or influence or affect the conduct of government or a unit of government through intimidation or coercion.

(4) Third, that the report was false.

(5) Fourth, that the defendant knew that it was false.

Use Note

1. The definition of an “act of terrorism” is found at MCL 750.543b(a).
2. The definition of “dangerous to human life” is found at MCL 750.543b(b).

**Public Policy Position
M Crim JI 38.1, 38.4, 38.4a**

SUPPORT

Explanation

The committee voted unanimously (15) to support the model criminal jury instructions to be utilized in connection with charges under MCL 750.543f or 750.543m (committing an act of terrorism, making a terrorist threat, or making a false report of terrorism).

Position Vote:

Voted For position: 15

Voted against position: 0

Abstained from vote: 0

Did not vote (absent): 6

Contact Persons:

Mark A. Holsomback mahols@kalcounty.com

Sofia V. Nelson snelson@sado.org



MEMORANDUM

To: SBM Board of Commissioners

From: Darin Day
SBM Director of Outreach

Date: April 7, 2020

Re: Proposed Section Bylaws Amendments:
Antitrust, Franchising & Trade Regulation Section

Rule 12, Section 2 of the Supreme Court Rules Concerning the State Bar of Michigan requires each section of the bar to maintain bylaws “not inconsistent with these Rules or the bylaws of the State Bar of Michigan” and further that “[s]ection bylaws or amendments thereof shall become effective when approved by the Board of Commissioners.”

Upon review of documents submitted by the **Antitrust, Franchising & Trade Regulation Section**, staff confirms that the section has taken all steps necessary to propose bylaws amendments in compliance with the amendment procedures set forth in the section’s current bylaws. The only remaining step is for this body to approve the proposed amendments.

Please see the attached excerpts from the section’s current bylaws, redlined to highlight the proposed amendments.

No proposed amendment is inconsistent with Supreme Court Rules or the State Bar of Michigan bylaws. Accordingly, it is recommended that the proposal be APPROVED.

**BYLAWS OF THE ANTITRUST, FRANCHISING & TRADE REGULATION
SECTION OF THE STATE BAR OF MICHIGAN
April 2020**

**ARTICLE I ~~NAME AND PURPOSES~~
NAME AND PURPOSE**

SECTION 1. This Section shall be known as the Antitrust, Franchising & Trade Regulation Section of the State Bar of Michigan.

SECTION 2. The purposes of this Section shall be to study the laws and procedures pertaining to federal and state regulation of commerce, including the antitrust laws and other laws related to trade regulation, franchises and dealerships; to promote the fair and just administration of said laws; to study and report upon proposed legislation; to promote the legal education of state bar members and the general public on issues relating to antitrust, trade regulation, franchises, and dealerships by sponsoring meetings, institutes and conferences devoted to the ~~problems~~discussion of said laws and by the preparation and dissemination of ~~pamphlets and brochures with respect thereto and by preparing, sponsoring and publishing legal writings materials~~ relating to antitrust, trade regulation, franchises and dealerships.

**ARTICLE II
SECTION MEMBERSHIP**

SECTION 1. ~~Each Any~~ member of the ~~Section shall pay to the~~ State Bar of Michigan in good standing shall be eligible to be a member of the Section. Such member, upon payment to the State Bar of Michigan of annual dues in an amount that shall be determined annually by the Section's council. Any member of the Section Council, shall become a Member. Any Member whose annual dues ~~shall be~~ more than six months past due shall thereupon cease to be a ~~member of the Section. Member.~~ Members so enrolled and whose dues are so paid shall constitute the membership of the Section. Membership shall be ~~available in accordance with~~subject the bylaws of the State Bar of Michigan.

SECTION 2. Newly admitted members to the State Bar of Michigan, upon written request, shall become ~~members of the Section~~Members for the balance of the fiscal year in which application is made, without payment of dues to the Section.

**ARTICLE III
COUNCIL**

SECTION 1. There shall be ~~a Council~~an administrative council of the Section consisting of twelve ~~members~~ at large members to be elected by the ~~Section Members. Such elected administrative council shall be known as hereinafter provided, the Officers of the Section, ex officio members as provided in Section 6, Council and the elected members at large shall be known as Council Members. Additionally, the retiring Chair of the Section. Ex officio members~~Council shall also be a Council Member and the retiring Chair shall be eligible to serve a one-year term with a right to vote.

~~SECTION~~full voting privileges beginning on the first day of the next fiscal year after an election of CouncilCouncil Members as provided in Article III Section 2.

SECTION 2. At each annual meeting of the Section, four Council ~~members at large~~Members shall be elected by the ~~Section Members~~ for a term of three years beginning ~~at the close of on~~ the annual meeting at which they shall have been elected. Council members at large first day of the next fiscal year after such election. Council Members also shall be elected to serve the remainder of the term of any vacancy then existing.

SECTION 3. NOMINATIONS. Nominations shall be made for ~~vacant Officer and Council member at large~~Member positions and may be made at any ~~regular, special or annual meeting of the Section. These annual or special meeting of the Section. Only members of the State Bar of Michigan who are in good~~

~~standing and are members of the Section are~~ eligible for nomination ~~must be members in good standing of the State Bar of Michigan.~~

SECTION 4. ELECTIONS. All elections of Council Members shall be by oral vote with results taken or other means reasonably calculated to accurately record vote calculations. Votes shall be recorded and disseminated by the Secretary or other presiding Officer.

ARTICLE IV ELECTION OF OFFICERS

SECTION 5. EX OFFICIO MEMBERS. ~~The following persons may be ex officio voting members of the Council by delivering a written request to the Secretary of the Council no later than October 31. Only upon timely receipt of their written request, shall they be voting ex officio members of the Council:~~

~~a. The Section Publications Editor~~

~~**SECTION 1.** The Council shall have four executive officers, who shall be elected by the Council at the time of the annual meeting; and~~

~~b. The Assistant Attorney General (or equivalent) having primary responsibility for antitrust enforcement with the Michigan Department of Attorney General, known as Officers~~

ARTICLE IV ELECTION OF OFFICERS

SECTION 1. ~~The Officers of the Section shall consist of a Chair, a Vice-Chair, a Secretary and a Treasurer, all of whom shall be Officers or members at large of the Council at the time of their election as Officers.~~

SECTION 2.

~~**SECTION 2.** Except as provided below, the election of Officers by the Council will occur at the annual meeting of the Section Annual Meeting and after the election of the new Council members. The serving Vice-Chair shall automatically succeed to the office of Chair and only the incoming Vice-Chair, Secretary and Treasurer shall be elected by the Council. If, at the time of the annual meeting Annual Meeting, the Office of Vice-Chair Chair's office is vacant, all Officers shall be elected by the Council. The Officers shall serve a one-year term of office commencing with beginning on the first day of the next fiscal year after their election at the annual meeting of the Council and terminating at ending on the following annual meeting last day of such fiscal year or until upon the election or appointment of their respective successors have been elected or appointed.~~

SECTION 3. ELECTIONS. All elections of Officers shall be orally taken by oral vote or other means reasonably calculated to accurately record vote calculations. Votes shall be recorded and disseminated by the Secretary or other presiding Officer.

ARTICLE V DUTIES OF OFFICERS

SECTION 1. CHAIR. The Chair shall preside at all meetings of the Section and of the Council. He shall She shall provide leadership to the Council in planning and coordinating the projects and activities of the Section, perform such other duties and acts as usually pertain to her office, and formulate and present at each Annual Meeting of the State Bar of Michigan a report of the work of the Section for the then ~~past year. He shall perform such other duties and acts as usually pertain to his office. -past year.~~

SECTION 2. VICE-CHAIR. The Vice-Chair elected by the Council shall automatically succeed to the office of Chair at the conclusion of his/her term as Vice-Chair, or earlier upon the existence of a vacancy in the ~~O~~office of Chair. In the event she succeeds ~~to~~ the Chairship prior to having served his/her full term as Vice-Chair, she shall, upon completion of the term of office of the prior Chair whom she succeeded, continue automatically inas the Chairship for an additional full term of Office. Absent such vacancy in the office of Chair, the Vice-Chair shall ~~nevertheless act as Chair in all cases where the Chair does not act because of~~

~~absence or otherwise. He shall~~ preside at meetings in the absence of the Chair and shall assist the Chair in planning, ~~correlating~~ and coordinating the projects and activities of the Section.

SECTION 3. SECRETARY. The Secretary shall be the custodian of all books, papers, documents and other property of the Section except money and financial records. ~~He~~She shall keep a true record of the proceedings of all meetings of the Section and of the Council. ~~He~~She shall assist the Chair in the preparation of a summary or digest of the proceedings of the Section for publication in the annual report of the State Bar of Michigan. She shall preside at meetings in the absence of the Chair and the Vice-Chair and shall assist the Chair in planning and coordinating the projects and activities of the Section.

SECTION 4. TREASURER. The Treasurer shall keep a true record of all moneys received and disbursed and report thereon to the Council whenever requested. Annually, the Treasurer shall submit a financial report for presentation to the members of the Section. She shall preside at meetings in the absence of the Chair, Vice-Chair or Secretary and shall assist the Chair in planning and coordinating the projects and activities of the Section.

ARTICLE VI DUTIES AND POWERS OF THE COUNCIL

SECTION 1. The Council shall have general supervision and control of the affairs of the Section subject to the Supreme Court Rules Concerning the State Bar of Michigan and the Bylaws of the State Bar of Michigan and the Bylaws of the Section. It shall ~~especially~~ authorize all commitments or contracts, which shall entail the payment of money, and shall authorize the expenditure of all moneys appropriated for the use or benefit of the Section. ~~It shall not, however, authorize commitments or contracts, which shall entail the payment of more money during any fiscal year than the amount which shall have been previously appropriated to the Section for such fiscal year.~~

SECTION 2. The Council may authorize the Chair to appoint committees from ~~Section members~~Members to perform such duties and exercise such powers as the Council may direct, subject to the limitations of these Bylaws and the Bylaws of the State Bar of Michigan. The Chair may appoint the chairs and members of such committees and may, or on direction of the Council shall, remove any chair or member from such committees and fill vacancies on such committees created by ~~removal or resignation.~~ any reason.

SECTION 3. The Council, during the interim between ~~annual meetings of the Section~~any Annual Meeting, shall fill vacancies in ~~its own membership~~the Council caused by an expansion of the number of seats on the Council or for any other reason, or in the offices of Secretary and Treasurer, or, in the event of a vacancy in both the office of Chair and Vice-Chair, then in the office of Chair. Members of the Council, and ~~o~~Officers, so elected shall serve until the close of the next annual meeting of the Section, at which the vacancies shall be filled for the remainder of their respective terms of special election conducted concurrently with the regular elections as provided in Article III herein.

SECTION 4. The Chair ~~of the Section at any time may, and shall,~~ upon the request of any ~~member of the two~~ Council ~~shall,~~Members (including herself), submit or cause to be submitted in writing, to ~~each of the members of the all~~ Council, ~~Members~~ any ~~pr~~oposition upon which the Council may be authorized to act, ~~and the members of the.~~ The Council Members may vote upon such ~~proposition or propositions so submitted,~~motion by communicating their vote ~~thereon,~~ in writing, over their respective signatures, to the Secretary, who shall record ~~upon his minutes each proposition so submitted, when, how, at whose request same was submitted, and the vote of each member of the Council thereon. If the votes of Council Member along with the motion as submitted and when and at whose request the motion was submitted. Any such motion shall be adopted if a majority of the members of Council so recorded shall be Members vote in favor of such proposition or if such majority shall be against such proposition, such majority vote shall constitute the binding action of the Council.~~ motion.

SECTION 5. ~~Meetings of the~~ Council meetings may be called upon notice by the Chair ~~or.~~ Meetings shall also be called by the Secretary~~Chair~~ upon the written request ~~to the Secretary~~ of any ~~five~~5 members of the Council, which request shall be made at least ~~seven~~ (7) days before the requested meeting. At least ~~two~~

~~(2) days~~^{3 business days} notice of ~~meetings~~ a meeting of the Council shall be given. ~~Notice unless all the Members of the Council waive such notice. The notice shall state the date, time, and way such meeting shall be deemed effective if sent to the e-mail address of record for the Officer and Council member.~~ Officers or

~~SECTION 6. Any elected Member of the Council~~ Members shall be considered present at a meeting of the Council if they attend in person or participate by any method of communication which enables them to hear and otherwise communicate with one another and participate in such meeting. At least 3 members of the Council must be present to constitute a quorum. The Council shall act by motion made and seconded and only upon a majority vote of a quorum in favor of such motion and present at a meeting.

~~SECTION 6. Any Council Member who fails to attend be present at four consecutive meetings of the Council may be removed as Member of the Council. This provision may be waived for good cause shown by a majority vote of the non-interested Council Members. A non-interested~~ Council Member shall be defined as any Council Member upon a majority vote of the other than the Member being considered for removal. Council Members.

ARTICLE VII SECTION MEETINGS

~~SECTION 1. The Each year, an~~ annual meeting of the Section shall be held ~~during~~ not more than 90 days before the end of the fiscal year of the Section and such meeting shall be designated as the Annual Meeting of the State Bar of Michigan, in the same city or place as such. The date, time and place of the Annual Meeting ~~of~~ shall be selected by the State Bar of Michigan Council, with such program and agenda, programs or order of business as may be ~~arranged~~ voted upon by the Council.

~~SECTION 2. Special~~ From time to time, special meetings of the Section may be held with such agenda, programs or order of business as may be voted upon by the Council and such meeting shall be designated as a Special Meeting. Such Special Meetings may be called by the Chair upon approval of the Council, at on such date, time and place as the Council may determine and, in a manner, consistent with the provisions of Article VIII Sections 6 & 7.

~~SECTION 3. The members of the Section present at any meeting shall be considered present if they attend in person, or or by any method of communication which enables all members to hear one another and participate.~~ At least ~~three~~⁵ members of the Council must be present to constitute a quorum. ~~The Council shall act by at an Annual or Special Meeting of the Section. No vote of the Members shall have effect if a quorum is not constituted. All actions taken by the Members shall be by motion made and seconded and then upon a majority vote of a quorum~~ the Members present at any meeting, and permitted to vote in accordance with Article VIII

~~SECTION 4. All action of the Section shall be by majority vote of the members present~~ 7.

ARTICLE VIII MISCELLANEOUS PROVISIONS

SECTION 1. The fiscal year of the Section shall be the same as that of the State Bar of Michigan.

SECTION 2. All bills and invoices incurred by the Section, before being forwarded to the Treasurer or to the Executive Secretary of the State Bar of Michigan for payment, shall be approved by the Chair or the Treasurer, or, if the Council shall direct, by both of them.

SECTION 3. No salary or compensation shall be paid to any ~~officer, councilor~~ Officer, Council member or member of a committee of the Section.

SECTION 4. These Bylaws shall become effective upon the approval thereof by the Commissioners of the State Bar of Michigan and by the Section in the same manner provided in Article IX for their amendment.

SECTION 5. All bulk printing for, mailing or mass electronic communication to other sections of the Section or for the Council or any committee State Bar of Michigan on behalf of the Section shall be done under the supervision of the Executive Secretary of the State Bar of Michigan.

SECTION 6. Notice of any Annual or Special Meeting to the Members shall be given at least 14 days before such meeting. The notice shall include the date, time, and location of the meeting, along with a proposed agenda and any proposed amendments to these Bylaws. The notice may be given either by: (1) regular U.S. Mail or email to Members (using the Member's last known postal or email address of record) and notice shall be effective upon a good faith effort to deliver such notice.

SECTION 7. Any meetings permitted or authorized by these Bylaws may be held in person, by any method of communication which enables the persons attending the meeting to hear or otherwise communicate with one another and participate in such meeting or a combination thereof. Any person otherwise eligible to vote at a meeting shall be considered present and permitted to vote only after they record their name with Secretary or other presiding Officer at such meeting in a manner prescribed by the Secretary or other presiding Officer. Motions may be submitted, and votes taken via written or electronic communication (such as email or webcast).

SECTION 8. Wherever used herein, a pronoun in one gender shall be considered as including the other gender unless the context clearly indicates otherwise.

ARTICLE IX AMENDMENTS

~~**SECTION 1.** These Bylaws may be amended at any annual meeting~~**SECTION 1.** These Bylaws may be amended at any Annual or Special Meeting of the Section by a two-thirds majority vote of the ~~m~~Members of the Section present and voting.

~~**SECTION 2.** At least fifteen days before the annual meeting, notice of any proposed amendment to be submitted to a vote of the Council shall be published either by: (1) regular U.S. Mail or e-mail to Section members (to the member's last known postal or e-mail address of record), (2) posting in the State Bar Journal, or (3) posting in the Section's quarterly newsletter.~~

Created 1960
Revised 9/97
Revised 11/20/15
Revised 04/24/2020



MEMORANDUM

To: SBM Board of Commissioners
From: Darin Day
SBM Director of Outreach
Date: April 7, 2020
Re: Proposed Section Bylaws Amendments:
Family Law Section

Rule 12, Section 2 of the Supreme Court Rules Concerning the State Bar of Michigan requires each section of the bar to maintain bylaws “not inconsistent with these Rules or the bylaws of the State Bar of Michigan” and further that “[s]ection bylaws or amendments thereof shall become effective when approved by the Board of Commissioners.”

Upon review of documents submitted by the **Family Law Section**, staff confirms that the section has taken all steps necessary to propose bylaws amendments in compliance with the amendment procedures set forth in the section’s current bylaws. The only remaining step is for this body to approve the proposed amendments.

Please see the attached excerpts from the section’s current bylaws, redlined to highlight the proposed amendments.

No proposed amendment is inconsistent with Supreme Court Rules or the State Bar of Michigan bylaws. Accordingly, it is recommended that the proposal be APPROVED.

**ARTICLE IV
ELECTION OF OFFICERS**

SECTION 4.3. At the end of his or her term in office, the Chairperson-Elect, if still a member of the Section in good standing, shall automatically succeed to the office of Chairperson without being nominated or elected, and shall have all the rights and privileges of Council membership during that term of office. The rights and privileges held by the Chairperson shall include all voting rights necessary to make or break a tie on any Council vote, irrespective of whether the Chairperson remains one of the twenty-one (21) voting members of Council as defined in Section 3.1.

**ARTICLE VI
DUTIES AND POWERS OF THE COUNCIL**

SECTION 6.1. The Council shall have the general supervision and control of the affairs of the Section subject to the Supreme Court Rules Concerning the State Bar of Michigan, the Bylaws of the State Bar of Michigan, and the Bylaws of this Section. The Council shall specifically authorize all commitments or contracts which entail the payment of money, including the expenditure of all monies appropriated by the Council for the use or benefit of this section, provided, however, the Council may authorize the Treasurer to expend sums not exceeding \$100.00 for the ongoing operation of this Section without prior approval. All sums so expended shall be specifically reported by the Treasurer at the next Council meeting. The Treasurer shall be authorized to conduct routine business transactions that are necessary to accomplish the purpose of the Section and the Council, as defined in Section 1.2. Any routine and necessary business transactions that are not previously authorized by a vote of the Council shall be reported in the next available Treasurer's report, and approval of the Treasurer's report at any Council meeting shall serve as Council's authorization of the reported expenses.

SECTION 6.3. Any member of a standing or special committee who shall be absent, without having been excused by its chair, at ~~from~~ three consecutive meetings of such committee or subcommittee, shall ~~may~~ be deemed to have resigned and the vacancy thereby created shall ~~may~~ be filled by appointment by the Section Chairperson for the unexpired term. Any member of the Council who shall be absent without having been excused by the Section Chairperson at ~~have~~ three (3) unexcused absences from Council meetings in a year, ~~from October 1, to September 30~~ shall be deemed to have resigned and ~~the a~~ vacancy thereby created. A "year" shall commence with the first regular Council meeting held in conjunction with the Family Law Section Annual Meeting and continue until the last regular meeting of Council for that year, as established under Section 6.10 of these bylaws. Any vacancy of a Council Member created under Section 6.3 shall be filled by the Council, and the person elected to fill the vacancy shall hold that elected position until the vacant term expires. ~~until the next annual election of Council members in the case of an elected member of the Council or by the Section or Committee the resigned member represented for the unexpired term in the case of a non-elected member of the council.~~



MEMORANDUM

To: SBM Board of Commissioners
From: Darin Day
SBM Director of Outreach
Date: April 7, 2020
Re: Proposed Section Bylaws Amendments:
Government Law Section

Rule 12, Section 2 of the Supreme Court Rules Concerning the State Bar of Michigan requires each section of the bar to maintain bylaws “not inconsistent with these Rules or the bylaws of the State Bar of Michigan” and further that “[s]ection bylaws or amendments thereof shall become effective when approved by the Board of Commissioners.”

Upon review of documents submitted by the **Government Law Section**, staff confirms that the section has taken all steps necessary to propose bylaws amendments in compliance with the amendment procedures set forth in the section’s current bylaws. The only remaining step is for this body to approve the proposed amendments.

Please see the attached excerpts from the section’s current bylaws, redlined to highlight the proposed amendments.

No proposed amendment is inconsistent with Supreme Court Rules or the State Bar of Michigan bylaws. Accordingly, it is recommended that the proposal be APPROVED.

ARTICLE 4
COUNCIL OFFICERS

Section 4.1 OFFICES. The Council shall elect a Chairperson, a Chairperson-Elect, a Secretary-Treasurer, **a Deputy SecretaryTreasurer**, and such other officers as it shall determine necessary for the proper conduct of its business.

Section 4.3.3 SECRETARY-TREASURER. The Secretary-Treasurer shall:

- (a) Attend all meetings of the Council and of the Section and prepare minutes of such meetings;
- (b) Be the custodian of the official records of the Council and of the Section;
- (c) Cause to be maintained at the State Bar offices a record of the members of the Section who are eligible to vote and the members and term of office of each member of the Council; **and**
- (d) Be responsible for a record of all of the funds of the Section;
- (e) Cause to be maintained full and accurate books of account;
- (f) Prepare and present, if requested, at each Annual Meeting of the Section a report of the finances of the Section;
- (g) Prepare or cause to be prepared an annual financial report for the Council to be completed promptly after the close of the fiscal year;
- (h) Perform the duties of the Chairperson when required by the absence or inability of the Chairperson and the Chairperson– Elect to act; **and**
- (i) In general perform all of the duties incident to the office of Secretary-Treasurer and such additional duties as may be from time to time assigned by the Chairperson or by the Council; **and**
- (j) Assist the Deputy Secretary-Treasurer in becoming familiar with performance all of the duties and responsibilities of the Secretary-Treasurer position.**

Section 4.3.4 DEPUTY SECRETARY-TREASURER. The Deputy Secretary-Treasurer shall learn how to perform and assist the Secretary-Treasurer with all of the duties of the Secretary-Treasurer, perform the duties of the SecretaryTreasurer when required by the absence or inability of the Secretary-Treasurer, and, if possible, attend all available State Bar of Michigan orientation and training meetings associated with the position of Secretary-Treasurer.

Section 4.3.54 OTHER OFFICES. The duties of any other office established by the Council shall be specified at the time of the creation of such office.

ARTICLE 5
DUTIES AND POWERS OF THE COUNCIL

Section 5.3 ELECTION OF OFFICERS. Officers shall be elected for a one (1) year term by the Council at its Organizational Meeting held immediately following the Annual Meeting. The term of office of each officer shall commence **at the conclusion of the Organizational Meeting of the Council on October 1**. The Nominations Committee shall propose nominations for positions of Officers. Subject to the approval of the members of Council, it is anticipated that the Chairperson-Elect shall be nominated to succeed to the office of Chairperson **and the Deputy Secretary-Treasurer shall be nominated to succeed to the office**

of Secretary-Treasurer. Other nominations may be made by members of the Council present at the annual Organizational Meeting. Election of Officers shall be by voice vote of the members of the Council present at the annual Organizational Meeting, unless voting by written ballot is requested and approved by a majority vote of the members present at the annual Organizational Meeting or the outcome of the election by voice vote is indeterminable in which case voting by written ballot is required.

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MEMORANDUM

To: SBM Board of Commissioners

From: Darin Day
SBM Director of Outreach

Date: April 7, 2020

Re: Proposed Section Bylaws Amendments:
Labor and Employment Law Section

Rule 12, Section 2 of the Supreme Court Rules Concerning the State Bar of Michigan requires each section of the bar to maintain bylaws “not inconsistent with these Rules or the bylaws of the State Bar of Michigan” and further that “[s]ection bylaws or amendments thereof shall become effective when approved by the Board of Commissioners.”

Upon review of documents submitted by the **Labor and Employment Law Section**, staff confirms that the section has taken all steps necessary to propose bylaws amendments in compliance with the amendment procedures set forth in the section’s current bylaws. The only remaining step is for this body to approve the proposed amendments.

Please see the attached excerpts from the section’s current bylaws, redlined to highlight the proposed amendments.

No proposed amendment is inconsistent with Supreme Court Rules or the State Bar of Michigan bylaws. Accordingly, it is recommended that the proposal be APPROVED.

**ARTICLE IV
NOMINATION AND ELECTION OF OFFICERS**

SECTION 1. NOMINATIONS. ~~At the first session of each annual meeting of the Section~~ The Chairperson and Vice Chairperson shall appoint a Nominating Committee annually. ~~The Nominating Committee shall~~ consisting of three members of the Section, not being members of the Council. Such committee shall make and report nominations to the Section for the officers of the Chairperson, Vice Chairperson, Secretary, and Treasurer, and members of the Council to succeed those whose terms will expire at the close of the then Annual Meeting, and to fill vacancies then existing or which may exist because of election of a present Council member to an officer position for unexpired terms. Other nominations for positions as officers and Council members may be made from the floor.

**ARTICLE V
DUTIES OF OFFICERS**

SECTION 1. CHAIRPERSON. The Chairperson shall preside at all meetings of the Section and of the Council. The Chairperson shall formulate and present at each Annual ~~Meeting of the State Bar of Michigan~~ a report of the work of the Section for the then past year, and shall perform such other duties and acts as usually pertain to the office.

**ARTICLE VII
MEETINGS**

~~SECTION 1. The annual meeting of the Section shall be held at a date, time and location that is selected by majority vote of the Council and shall be published widely to the members of the Section. held during the Annual Meeting of the State Bar of Michigan, in the same city or place as such Annual Meeting of the State Bar of Michigan, with such program and order or business as may be arranged by the Council.~~ There shall be regular meetings of the Council throughout the year, as determined by the Council, at which the business of the Section may take place.



MEMORANDUM

To: SBM Board of Commissioners
From: Darin Day
SBM Director of Outreach
Date: April 7, 2020
Re: Proposed Section Bylaws Amendments:
Litigation Law Section

Rule 12, Section 2 of the Supreme Court Rules Concerning the State Bar of Michigan requires each section of the bar to maintain bylaws “not inconsistent with these Rules or the bylaws of the State Bar of Michigan” and further that “[s]ection bylaws or amendments thereof shall become effective when approved by the Board of Commissioners.”

Upon review of documents submitted by the **Litigation Law Section**, staff confirms that the section has taken all steps necessary to propose bylaws amendments in compliance with the amendment procedures set forth in the section’s current bylaws. The only remaining step is for this body to approve the proposed amendments.

Please see the attached excerpts from the section’s current bylaws, redlined to highlight the proposed amendments.

No proposed amendment is inconsistent with Supreme Court Rules or the State Bar of Michigan bylaws. Accordingly, it is recommended that the proposal be APPROVED.

**ARTICLE III
COUNCIL & OFFICERS**

SECTION 2. COUNCIL: There shall be a Council of the Section consisting of the Chair, Chair-Elect, Secretary and Treasurer, together with ~~twelve~~^{eighteen} (~~12~~¹⁸) at-large members to be elected as provided within this Article, together with all ex-officio members as defined in Article III, Section 5.3 below. All Council Members must be active members of the Section.

**ARTICLE VI
DUTIES AND POWERS OF THE COUNCIL**

SECTION 4. QUORUM: A quorum of the Council shall consist of no less than two officers and ~~three~~ (~~3~~)^{five} members at-large. A quorum being present, the Council shall act on the affirmative vote of a majority of those present at any meeting.

State Bar of Michigan Board of Commissioners
2020 Timeline for Officer Elections

April 24, 2020	Distribution of materials regarding Timeline, Procedure and Matrix
June 9, 2020	Letters of Intent and completed Matrix due to State Bar President and Executive Director
July 17, 2020	Board book sent to Commissioners that will include the Letters of Intent and Matrices of SBM Officer Candidates
July 24, 2020	Candidate Forum (5 minutes to address Board and (BOC Meeting) 15 minutes total Q & A Election of Officers

Memo

To: Board of Commissioners

From: Officer Election Committee (Bruce Courtade, Chair; Kim Cahill; Francine Cullari; Michael Hohausser; Tony Jenkins; Craig Lubben; Angelique Strong Marks; Debra Walling)

cc: President Tom Cranmer, Janet Welch

Date: June 2006

Re: **RECOMMENDED ELECTION PROCEDURES FOR 2006 AND BEYOND**

The Officer Election Committee (“the Committee”) was initially asked to consider whether, in light of a proposal from the President’s Advisory Council (“the Council”), the rules concerning the election of State Bar officers should be amended. After studying the “Supreme Court Rules Concerning the State Bar of Michigan” (“the Rules”), the Bylaws of the State Bar of Michigan (“the Bylaws”)¹, and discussing their own personal views of and frustrations with the existing process, the Committee recommended that the rules governing elections not be changed, but that the Board of Commissioners (“the Board”) should consider certain procedural and educational changes to add some transparency to the process by which new generations of SBM Officers are selected, and specifically rejected the idea of extending the term limits of the Board or of the “grandfathering” of Officers beyond the level set forth in the existing Rules.

The Committee’s Report was submitted on April 4, 2006, and unanimously adopted by the Board of Commissioners at its April 7 meeting. Thereafter, the Committee was charged with developing recommendations to the Board of specific procedural and educational changes to the election process that would address those concerns raised in the Committee’s April 4, 2006 Report.

Summary of Recommendations

The Committee believes that the Board should adopt three changes to the current system of nominating and electing State Bar officers. Because the Committee does not believe that there is adequate time to implement all of the proposed changes before this year’s elections. Therefore, we propose a “phase-in” as set forth more fully below.

1. All non-incumbent officers who are seeking election to “the Chairs” must submit a letter of interest to the Executive Director and President of the State Bar by a set date each year. After 2006, this deadline will be 45 days before the July Board meeting. However, for this year, letters of interest must be submitted by June 28, 2006 (30 days before the elections at the July 28 Board meeting). Requirements for the letter of interest are set forth more fully below. These letters of interest, along with any attachments thereto and the matrices described in the third recommendation, below, must be submitted to the Board along with the Agenda and meeting materials that are sent to the Board before the meeting in which the elections are held each year.

¹ A copy of relevant sections of the Rules and Bylaws is attached as Exhibit #1.

2. A “candidates’ forum” should take place at the Board meeting in which elections are held each year. The Committee recommends that each candidate be given up to 5 minutes to present his or her qualifications for election. After each of the candidates has spoken, the Committee recommends that a “question and answer” session of at least 15 minutes’ duration be held, with each candidate allowed not more than one minute to answer each question presented by those in attendance at the meeting. This should be implemented beginning in July 2006.
3. For elections beginning in 2007, the Committee, with Staff input, intends to develop a matrix that all non-incumbent candidates for office must fill out and submit along with their letters of interest. The matrix will focus on issues such as: length of service on the Board; prior Board experience (i.e., leadership roles or projects undertaken for the Bar); attendance at Board and committee meetings; etc. The matrices for all candidates shall be submitted to the Board at or before the meeting in which the officer elections take place.

The Committee believes that these procedural rules may be adopted by the Board without need for amending the Bylaws.

Discussion

The Committee met via teleconference after the last Board meeting. A number of suggestions for how to make the election process more transparent and meaningful were discussed. One suggestion that had been raised in the initial Committee Report (the use of a nominating committee) was discussed at length. After considering the benefits and disadvantages of that option, the Committee decided not to recommend the adoption of a nominating committee at this time. Rather, the Committee believes that the proposals set forth below all would have a more positive impact than use of a nominating committee process, and are less fraught with potential risks experienced by many groups that use a nominating committee.

Therefore, the Committee decided to recommend the adoption of three specific changes to the manner in which officer elections are handled, and to wait to see whether those proposals sufficiently address the issues raised in the Committee’s prior Report. If necessary, the issue of using a nominating committee can be re-evaluated if it is determined that the proposals set forth below have failed to adequately address Board concerns about the election process.

1. Recommendation #1: Letters of Interest.

One of the issues raised by the Board and in the Committee meetings was the impression that the current election process gives the impression that the officer elections are a *fait accompli* after *sub rosa* discussions eliminate candidates who might be interested, leaving a single candidate about whose qualifications many voting Board members may know little or nothing.² The Committee believes that this issue can be easily remedied by requiring all persons interesting in seeking office to submit a simple letter of interest identifying the office to which they seek election and highlighting their abilities, background and experience that they feel qualify them for that role within the organization.

² This Report’s drafter apologizes to the Plain English Committee for a wordy sentence involving two italicized foreign terms.

a. Letters of Interest for Election as Treasurer.

Therefore, the Committee recommends adoption of a rule or policy that all non-incumbent officers who are seeking election to office of State Bar Treasurer (and therefore entry into “the Chairs”) must submit a letter of interest to the Executive Director and President of the State Bar by a set date each year. After 2006, this deadline will be 45 days before the July Board meeting. However, for this year, letters of interest must be submitted by June 28, 2006 (30 days before the elections at the July 28 Board meeting). Requirements for the letter of interest are set forth more fully below. These letters of interest, along with any attachments thereto and the matrices described in the third recommendation, below, must be submitted to the Board along with the Agenda and meeting materials that are sent to the Board before the meeting in which the elections are held each year.

b. Letters of Interest by Incumbent Officers for Positions Other than Treasurer.

The Committee is aware that, over time, an informal but widely-acknowledged pattern has led to a *de facto* practice that a Commissioner who is elected Treasurer generally embarks on a six-year procession through “the Chairs” culminating with his or her year as president.³ Therefore, under most circumstances, incumbent officers seeking to ascend to the next level of “the chairs” will not need to submit a letter of interest for that position: absent an expression of interest to the contrary, officers will be presumed to seek elevation to the next level of “the Chairs.”

However, under the Rules, the only officers who automatically ascend “the Chairs” without standing for election to the next level each year are the vice-president and president-elect. Therefore, it is possible that a sitting secretary or treasurer might either decide not to seek elevation in the chairs during a given year, or face a challenge from a Board member who is not an officer. Theoretically, a sitting treasurer could also opt to bypass his or her year as secretary and run for the office of vice-president.

Thus, the Committee recommends that if any candidate, in compliance with the 45-day deadline set forth above,⁴ submits a letter of interest seeking election to a position in “the Chairs” other than as Treasurer and/or outside of the normal six-year progression, the President shall notify the incumbent officer who would normally be seeking elevation to the now-contested seat in writing of the possibility of a disputed election. That incumbent officer must then prepare and submit to the SBM’s Executive Director and President his or her own letter of interest⁵ by not later than 30 days before the SBM meeting at which the election is to be held. (For 2006, the deadline for submitting an incumbent officer’s letter of interest will be July 15).

c. Minimal Requirements for Letters of Interest.

Each potential candidate is responsible for including in his or her information that he or she believes is sufficient to convince other Board members that the candidate is qualified to serve in whatever office he or she seeks. However, *at a minimum*, the letters of interest should include the following information:

- The office sought;
- A summary of the candidate’s history on the Board of Commissioners;

³ Year One: Stand for election as Treasurer
Year Two: Serve as Treasurer; seek election as Secretary
Year Three: Serve as Secretary; seek election as Vice President
Year Four: Serve as Vice President
Year Five: At conclusion of Vice President, ascend to President-Elect
Year Six: Serve as SBM President

⁴ June 28, 2006 for the 2006 elections.

⁵ And, for elections occurring after 2006, a Qualifications Matrix as discussed below.

- A discussion of the candidate's attendance at and participation in Board and Committee meetings;
- A summary of the candidate's service to the State Bar and (if applicable) local bar associations;
- An overview of the candidate's non-Bar-related experience of community service; and
- A statement, not exceeding 250 words, of why the candidate wants to attain the position for which he or she is seeking election, and what unique ideas or thoughts the candidate has for ways in which to improve the SBM.

All candidates must also include a copy of their résumé or curriculum vitae with their letter of interest.

d. Presentation of Letters of Interest to the Board.

The candidates' letters of interest, along with any attachments thereto and the matrices described below, must be submitted to the Board along with the Agenda and meeting materials that are sent to the Board before the meeting in which the elections are held each year.

2. Recommendation #2: Candidates' Forum.

In addition to general comments regarding the lack of knowledge of which Board members might be interested in running for office, the Committee heard and received comments from several people suggesting frustration with the lack of opportunity to talk to the candidates about the strengths that they would bring to office if elected. We believe that this concern could be easily ameliorated by having all candidates for contested elections participate in a "Candidates' Forum" held as part of the Board meeting at which elections are held (including meetings at which elections are held to fill vacancies in SBM offices that occur outside the normal election cycle).

The Committee recommends that each candidate for each contested election be given up to 5 minutes to present his or her qualifications for election. After each of the candidates has spoken, the Committee recommends that a "question and answer" session of at least 15 minutes' duration be held, with each candidate allowed not more than one minute to answer each question presented by those in attendance at the meeting. This should be implemented beginning in July 2006.

3. Recommendation #3: Qualifications Matrix.

Another method of assuring that the Board has adequate and useful information concerning the candidates' qualifications and abilities would be the use of a matrix to provide an objective overview of data regarding their past experience. The Committee discussed at length what kinds of information should be included in any such matrix. Among the suggestions were:

- Law School and date of graduation;
- Year of admission to Michigan Bar;
- Primary areas of practice;
- Past Bar service (state and local);
- Board of Commissioners' experience:
 - Year first elected or appointed;
 - Number of terms on the Board; and
 - Board Committees.
- Attendance at Board meetings during last three years;
- Non-Board, non-Bar volunteer experience.

Once completed by each candidate, the matrix must be submitted to the SBM President and Executive Director along with the letter of interest discussed above. The Executive Director shall then

delegate to appropriate staff the duty to verify that the information regarding Board attendance and experience is correct.

The Committee did not have time to develop a matrix before the 2006 SBM Officer elections. However, for elections beginning in 2007, the Committee, with Staff input, intends to develop a matrix that all non-incumbent candidates for office must fill out and submit along with their letters of interest. The matrix will focus on issues such as: length of service on the Board; prior Board experience (i.e., leadership roles or projects undertaken for the Bar); attendance at Board and committee meetings; etc. The matrices for all candidates shall be submitted to the Board at or before the meeting in which the officer elections take place.

4. The Committee's Proposals Do Not Appear To Require Changes To The Supreme Court Rules Or To The State Bar's Bylaws.

Other than the previously-discussed prohibition on a Secretary or Treasurer serving more than three consecutive terms found in §8 and §11's term limits, the SBM Bylaws are silent regarding the procedure for electing officers. Similarly, the Supreme Court Rules Governing the State Bar of Michigan offer no guidance as to the mechanics of how to elect officers.⁶

In the absence of any Supreme Court Rule on point, the Committee believes that the Board is given the authority, pursuant to Rule 5, to adopt the proposals suggested herein. That Rule provides, in pertinent part:

Section 1 – Powers, Functions, and Duties.

(a) The Board of Commissioners shall

* * *

(6) receive and review committee and section reports and recommendations proposing action by the board and take interim or final action that the board finds feasible, in the public interest, and germane to the functions and purposes of the State Bar; ...

The Committee proposals are in the public interest and germane to the functions of the State Bar. The public interest is promoted by assuring that State Bar officers, who bear more responsibility for the day-to-day and long-term operations of the Bar than any other members of the Board, are chosen in a manner that reflects openness and learned decision-making. Assuring that members of the Board who are asked to select the officers are well-informed as to their character and abilities likewise has a direct and substantial influence on the functions and purposes of the Bar.

CONCLUSION

The Committee's proposals offer simple but effective tools to address the concerns that Board members do not know enough about the election process or the individuals who seek election to "the Chairs." The Committee therefore requests that the Board adopt and implement the Proposals in accordance with the timelines set forth above.

⁶ Rule 7 provides, in part, that the Board shall elect certain officers, states when they must be elected, and explains that officer vacancies shall be filled by an election of the Board. However, the Rule provides no specific requirement regarding how the elections are to be carried out.

STATE BAR OF MICHIGAN OFFICER CANDIDATE FORM

(TO BE COMPLETED BY CANDIDATE – PLEASE ATTACH EXTRA SHEETS IF NECESSARY TO COMPLETE YOUR RESPONSES)

NAME			
OFFICE SOUGHT			
EMPLOYER			
TITLE & PRIMARY PRACTICE AREA			
SECTION 1: Educational Background			
1. Undergraduate school(s)			
2. Years of attendance or graduation			
3. Degree(s)			
4. Law School			
5. Year of Graduation			
SECTION 2: Bar Admission			
1. State(s) admitted to practice; year of admission for each			
SECTION 3: State Bar of Michigan Activities			
Board of Commissioners			
1. Year First Elected/Appointed			
2. Years served (i.e., 2000 – 2003)			
3. Leadership activities (year) <u>Example:</u> Treasurer (2006-2007)			
4. Date current term expires			
5. Eligible for Re-Election?			
Representative Assembly			
1. Year First Elected/Appointed			
2. Years served (i.e., 2000 – 2003)			
3. Leadership activities (year) <u>Example:</u> Clerk (2006-2007)			
Sections/Committees			
1. What Sections or Committees of the State Bar of Michigan do you belong to?			
2. Please describe briefly any leadership roles you have filled on these Sections or committees			

Name: _____

Candidate for: _____

SECTION 4: Other Bar Activities	
1. To which national, local or affinity bar associations do you belong? (For each, please state the date on which you became a member).	
2. What leadership roles have you performed for each?	
SECTION 5: Non-Bar Activities	
1. On what other for-profit or non-profit Boards, groups or organizations have you served? (For each, please state the date on which you became a member).	
2. Please describe briefly any leadership roles you have filled on these Boards.	
SECTION 6: Other Achievements of Note	
SECTION 7: Publications	
1. Have you written any articles, commentaries, or books that have been published? If so,	
2. Provide titles, publishers and dates of publication for each such published piece.	

ACKNOWLEDGEMENT AND CERTIFICATION

I hereby acknowledge and certify that the foregoing information is true to the best of my knowledge and belief.

Candidate Signature

Date: _____

+++++
Verification of Candidate's Attendance at State Bar Board of Commissioners' Meetings (To be Completed by State Bar Staff)

In the past three (3) years, how many meetings of the State Bar Board of Commissioners has the candidate been eligible to attend?	
Of the meetings identified above, how many meetings of the State Bar Board of Commissioners has the candidate actually attended?	
Percentage of attendance at Board of Commissioners meetings (past three years)	

ACKNOWLEDGEMENT AND CERTIFICATION

I hereby acknowledge and certify that the foregoing information is true to the best of my knowledge and belief.

State Bar of Michigan Staff Signature

Date: _____

CALENDAR
STATE BAR OF MICHIGAN REPRESENTATIVE ASSEMBLY
SATURDAY, APRIL 25, 2020

*Denotes Action Items

9:30 A.M.

MEETING BEGINS

- 9:30 a.m. 1. Introductory Matters
- A. Call to order by Chair Aaron V. Burrell with Parliamentarian Hon. John M. Chmura
- Mr. Aaron V. Burrell
[Dickinson Wright, PLLC, 500 Woodward Ave., Ste. 4000, Detroit, MI 48226
phone: (313) 223-3118; email: aburrell@dickinsonwright.com]
- Hon. John M. Chmura
[37th District Court, 8300 Common Rd., # 104, Warren, MI 48093
phone: (586) 574-4925; email: jchmura@37thdistrictcourt.org]
- B. Certification that a quorum is present by Assembly Clerk, Mr. Nicholas Ohanesian
[Social Security Administration, 1925 Breton Rd. SE, Ste. 200, Grand Rapids, MI 49506
phone: (616) 920-3589; email: nickohanesian@yahoo.com]
- C. Adoption of proposed calendar by Rules & Calendar Chair, Ms. Jennifer A. Frost
[Jennifer A. Frost, Attorney & Counselor at Law, PLLC, 204 E. Church St., Ste. 203,
Adrian, MI 49221
phone: (517) 920-2883; email: jennifer@jafrostlaw.com]
- D. Approval of the September 26, 2019 Summary of Proceedings
- 9:35 a.m. 2. *Filling Vacancies
- Mr. Mark Jane
Chair, Assembly Nominating & Awards Committee
[Butzel Long, PC, 301 E. Liberty St., Ste. 500, Ann Arbor, MI 48104
phone: (734) 995-3110; email: jane@butzel.com]
- 9:40 a.m. 3. *Approval of 2020 Award Recipients
- Mr. Mark Jane
Chair, Assembly Nominating & Awards Committee
[Butzel Long, PC, 301 E. Liberty St., Ste. 500, Ann Arbor, MI 48104
phone: (734) 995-3110; email: jane@butzel.com]
- 9:50 a.m. 4. Chair's Report
- Mr. Aaron V. Burrell
[Dickinson Wright, PLLC, 500 Woodward Ave., Ste. 4000, Detroit, MI 48226
phone: (313) 223-3118; email: aburrell@dickinsonwright.com]
- 10:00 a.m. 5. *Consideration of Proposed Amendment to MCR 6.110
- Proponent:
Mr. Sean Myers
[Cannabis Counsel Law Firm, PLC, 2930 E. Jefferson Ave., Detroit, MI 48207-5029
phone: (313) 446-2235; email: attorneyseanmyers@gmail.com]

- 10:15 a.m. 6. *Consideration of Proposed Amendment to Code of Judicial Conduct Canon 2(F).
Proponent:
Ms. Alena M. Clark
[Genesee County Prosecutor's Office, 900 S. Saginaw St., Ste. 102, Flint, MI 48502-1515
phone: (810) 237-6159; email: aclark@co.genesee.mi.us]
- 10:45 a.m. 7. Adjournment

ATTENDANCE WILL BE TAKEN AT THE BEGINNING OF THE MEETING

State Bar of Michigan DRAFT Investment Policy

I. Purpose

It is the policy of the State Bar of Michigan to invest its funds in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the State Bar of Michigan and complying with all state and federal statutes.

II. Scope

The investment policy applies to all financial assets of the State Bar of Michigan including the Administrative Fund, the Client Protection Fund, and the funds of the Sections; but does not apply to the investment of SBM Retirement Health Care Trust funds, SBM Retirement Plan funds, or SBM 457b Plan funds. This investment policy supersedes any prior investment policy for the Administrative Fund, the Client Protection Fund and the funds of the Sections.

III. Objectives

The primary objectives, in priority order, of the State Bar of Michigan's investment activities shall be:

Safety - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. No more than the amounts identified below may be invested in any one financial institution, unless the deposits are completely FDIC insured, and the financial institutions maintain the specified total assets and star ratings on the Bauer financial star rating system at <https://www.bauerfinancial.com/star-ratings/>:

- Up to \$5 million dollars – financial institutions with a 4 star minimum rating and at least \$1,000 billion in total assets
- Up to \$4 million dollars – financial institutions with a 4 star minimum rating and at least \$100 billion in total assets
- Up to \$3 million dollars – financial institutions with a 4 star minimum rating and at least \$10 billion in total assets
- Up to \$2 million dollars – financial institutions with a 4 star minimum rating and at least \$ 1 billion in total assets
- Up to \$1 million dollars – financial institutions with a 3 star minimum rating

The star ratings and total assets for each financial institution shall be published each month in the SBM Cash and Investment Report. If a financial institution's star rating or total assets with SBM deposits falls below the minimum star ratings, the financial institution shall be reviewed for a reduction in invested amount by the Finance Committee not later than the next regularly scheduled Finance Committee meeting.

Diversification - The investments, unless fully FDIC insured, will be diversified by security type and institution in order to reduce portfolio risk.

Liquidity - The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The SBM's cash and investments may be held in instruments with maturities not to exceed 3 years without express approval from the Finance Committee. The Finance Committee shall expressly approve the purchase of any investments with maturities greater than 3 years.

Return on Investment - The investment portfolio shall be designed with the objective of obtaining a high rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

IV. Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

V. Delegation of Authority to Make Investments

Authority to manage the State Bar of Michigan investments is the responsibility of the Treasurer of the State Bar of Michigan. The Executive Director, Assistant Executive Director and Chief Financial Officer are expressly authorized on the Treasurer's behalf to manage investments and make investment transactions in accordance with this policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Committee.

VI. Authorized investments

The State Bar of Michigan may invest its funds in the following:

A. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

B. Certificates of deposit (including certificates of deposit meeting the requirements of subsection 5 of PA 20 of 1943 - MCL 129.91-97a), savings accounts, deposit accounts (including deposit accounts meeting the requirements of subsection 6 of PA 20 of 1943 - MCL 129.91-97a), or depository receipts of a financial institution eligible to be a depository of funds in Michigan.

C. Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.

D. Repurchase agreements consisting of instruments in subdivision A.

E. Banker's acceptances of United States banks.

F. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.

G. Money market mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with the authority to purchase only investment vehicles that are legal for direct investment by local units of government in Michigan pursuant to Public Act 20 of 1943(MCL 129.91-97a) as amended. This authorization is limited to securities whose intention is to maintain a net asset value of \$1.00 per share.

H. Obligations described in subdivisions A through G if purchased through an Interlocal agreement under the urban cooperation act of 1967. 1967 (ExSess) PA 7, MCL 124.501 to 124.512.

I. Investment pools organized under the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118.

VII. Safekeeping and Custody

The State Bar of Michigan shall invest on a cash basis in all security transactions, including collateral for repurchase agreements and financial institution deposits. Securities may be held by a third party custodian designated by the Finance Committee and evidenced by safekeeping receipts.

VIII. Reporting

The Finance staff shall compile a monthly report for the Finance Committee, and the Treasurer shall make a report to the Board of Commissioners at each BOC meeting. This report shall include the type of investment, date of maturity, amount of investment, rate of interest and credit rating when applicable. This report shall be prepared in a manner that will allow the Board of Commissioners to ascertain whether investment activities during the reporting period have conformed to the investment policy.

IX. Policy Review

The investment policy shall be reviewed by the Finance Committee whenever Public Act 20 of 1943 (MCL 129.91-97a) is amended and no less than once every two years. The Finance Committee shall recommend changes, if any, to the Board of Commissioners for approval. The review process shall ensure that the investment policy fulfills the primary objectives in III, while keeping pace with legal, financial and economic trends.

Approved by the Finance Committee on January 24, 2020. with subsequent title changes
For approval by the Board of Commissioners.

Memorandum

To: State Bar of Michigan Board of Commissioners

From: Ashley Lowe, Justice Initiatives Committee Chair
Robert Mathis, Justice Initiatives Counsel

Date: April 14, 2020

Re: 2020 John W. Cummiskey Award Nominee—Heidi Naasko

The Justice Initiatives Committee requests that the State Bar of Michigan Board of Commissioners support its recommendation that Heidi Naasko receive the 2020 John W. Cummiskey Award. Heidi's longstanding commitment to pro bono service made her a standout among the other impressive nominees for this year's award. A summary of the full slate of nominees for the 2020 Cummiskey Award is attached, as well as the nomination materials submitted on Heidi's behalf.

Ms. Naasko is Dykema's national pro bono and diversity counsel. In addition to administering the program and mentoring lawyers in various areas of public interest law, she maintains a substantive poverty law practice. Her caseload includes representation of unaccompanied immigrant children who are child victims of human trafficking and have either been victims of crime in their country of origin or in the United States. She also represents domestic violence survivors in divorce, child custody, immigration matters, and personal protection orders.

In her role as pro bono counsel, she leverages the firm's resources to satisfy the unmet legal needs of the community. In 2008, Michigan-based legal service providers identified a burgeoning crisis of unrepresented and abused or neglected immigrant children. When only a handful of lawyers were skilled to represent these children and none of the children had the resources to hire an attorney, Dykema, under Ms. Naasko's direction, was the first large law firm to volunteer attorneys and coordinate training, and she then called upon other members of the legal community to respond to this unmet need. As a result, in 2010, there are more attorneys ready to accept these cases than there are children needing counsel in Michigan.

In 2009, Ms. Naasko developed, designed and now directs the Dykema Free Legal Aid Clinic. Hosted at the Ferndale High School and open to parents and students of the high and middle schools, the clinic is

geared to respond to the unmet legal needs that may impede a student's success. It is the first of its kind in Michigan to be run exclusively by a private law firm.

Ms. Naasko also works closely with Dykema's business clients to create pro bono partnerships with a focus on identifying relevant, succinct, and high-profile opportunities. Most recently, as the national economy plummeted, she conceptualized a Crisis Clinic for Detroit-Based Nonprofits, where private attorneys meet with nonprofits to respond to or resolve their crises. This initiative was later implemented into a partnership between Dykema, Community Legal Resources, and Ford Motor Company Office of the General Counsel. In 2007, the GM Legal Department and Dykema lawyers performed legal audits for fledgling nonprofits in Detroit. Later in 2008, Ms. Naasko launched a second partnership between Dykema, GM, Children's Hospital of Michigan, and Legal Aid and Defender Association to provide child patients and their families legal assistance in the areas of landlord-tenant and appeals for Supplemental Social Security Income.

In 2010, the chief executive officer of Dykema appointed Ms. Naasko as diversity counsel to the Diversity Committee. In this role, she has been tasked to assist in the implementation of the overall diversity initiatives of the firm, which include wide-ranging activities including recruiting, retention, mentoring, and business development for diverse attorneys of the firm.

There were six impressive nominees for the 2020 John W. Cummiskey Award. The JI Committee formed a subcommittee to thoroughly review the nomination materials and recommend a recipient for the award to the full membership of the JI Committee. At its April 1, 2020, meeting, the JI Committee members in attendance unanimously voted to adopt the subcommittee's recommendation that Heidi Naasko receive this year's award.

Therefore, we ask that the State Bar of Michigan Board of Commissioners support its recommendation that Heidi Naasko receive the 2020 John W. Cummiskey Award.

2020 JOHN W CUMMISKEY AWARD

p 517-346-6300

p 800-968-1442

f 517-482-6248

www.michbar.org

To: Board of Commissioners
From: James Heath and Dana M. Warnez, Awards Committee Co-Chairs
Date: March 27, 2020
Subject: 2020 State Bar Award Nominations

The State Bar of Michigan Awards Committee met on Thursday, March 26, 2020 and recommends the following people receive 2020 State Bar of Michigan Awards:

Roberts P. Hudson Award

The committee recommends one individual: **Barry L. Howard**.

Frank J. Kelley Distinguished Public Service Award

The committee recommends two individuals: **Ronald J. Frantz** and **Anita Hitchcock**.

Champion of Justice Award

The committee recommends three individuals: **Hon. Thomas P. Boyd**, **Hon. Susan L. Dobrich** and **James H. Fisher**.

Kim Cahill Bar Leadership Award

The committee recommends one organization: **ATJ – Mid-Northern Michigan – Expungement Project**.

John W. Reed Michigan Lawyer Legacy Award

The committee recommends one individual: **Professor Paul D. Reingold**.

The committee will recommend a Liberty Bell Award winner to the Board at the Board's June meeting.

To view all SBM award nominations, visit <http://bit.ly/SBMAwards>. This is a password-protected website, so you will have to enter your SBM username or P number, and then the password you use to access the member area of michbar.org.

306 Townsend Street
Michael Franck Building
Lansing, MI
48933-2012

SBM

STATE BAR OF MICHIGAN

MICHAEL FRANCK BUILDING
306 TOWNSEND STREET
LANSING, MI 48933-2012

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