

President Rockwell called the meeting to order at 1:45 p.m. in the Gerald R. and Betty Ford Presidential Ballroom in the Amway Grand Plaza Hotel in Grand Rapids, MI

Commissioners present:

Danielle Mason Anderson

David C. Anderson

Dennis M. Barnes, Vice-President

Joseph J. Baumann

Aaron V. Burrell

Hon. Clinton Canady III

B.D. "Chris" Christenson

Richard L. Cunningham

Syeda F. Davidson

Shauna L. Dunnings

Andrew F. Fink III

Robert C. Gardella

Jennifer M. Grieco, President Elect

Edward L. Haroutunian

Krista L. Haroutunian

Kara R. Hart-Negrich

James W. Heath

Michael S. Hohaus

E. Thomas McCarthy Jr.

Joseph P. McGill

Hon. Maureen M. McGinnis

Shenique A. Moss

Jules B. Olsman

Hon. David A. Perkins

Daniel D. Quick

Victoria A. Radke

Hon. Michael J. Riordan

Donald G. Rockwell, President

Brian D. Shekell

Gregory L. Ulrich

Dana M. Warnez, Treasurer

Erane C. Washington

Commissioners absent and excused:

Robert J. Buchanan, Secretary

State Bar Staff present:

Janet Welch, Executive Director

Marge Bossenbery, Executive Coordinator

Gregory Conyers, Director, Diversity

Candace Crowley, Senior Consultant

Peter Cunningham, Assistant Executive Director and Director, Governmental Relations

Darin Day, Director, Outreach and Constituent Development

Danon Goodrum-Garland, Director, Professional Services Division

Kathryn Hennessey, Public Policy Counsel

James Horsch, Director, Finance and Administration Division

Nkrumah Wynn Johnson, Assistant General Counsel

Robert Mathis, Pro Bono Service Counsel

Alecia Ruswinckel, Assistant Director, Professional Standards Division

Jeanette Socia, Human Resources Manager

Anne Vrooman, Director, Research and Development

Guests

Mark Armitage, Executive Director, Attorney Discipline Board

Scott Bassett

Stephanie J. LaRose, Professor of Law, Michigan State University College of Law

Josephine A. DeLorenzo

Jan Gardella

Lisa J. Hamameh
Susan Haroutunian
Thomas H. Howlett
David Watson, Executive Director, ICLE
Ryan Zemke

Consent Agenda

The Board received the minutes from the July 27, 2018 Board meeting
The Board received the minutes from the July 10, 2018 Executive Committee meeting.
The Board received the recent activities of the President.
The Board received the recent activities of the Executive Director.
The Board received Client Protection Fund Claims.
The Board received the FY 2018 Financial Reports through July 2018.
The Board received Model Criminal Jury Instructions.

Mr. Rockwell asked the Board if there were any items that needed to be removed from the consent agenda. There were none. A motion was offered and supported to approve the consent agenda. The motion was approved.

Mr. Rockwell congratulated Commissioner Krista Haroutunian on her appointment as Judge of the 17th District Court and introduced new commissioners and special guests.

COMMISSIONER COMMITTEES REPORTS

Finance, Dana M. Warnez, Chairperson

Ms. Warnez reviewed the FY 2018 financial reports through July with the Board. She asked Mr. Horsch to provide the Board with a summary of the accounting issues that will impact the FY 2018 financial results and ending fund balance. Mr. Horsch reported that he had a meeting with the State Bar auditors, the Governmental Accounting Standards Board (GASB) technical staff, State of Michigan Office of Financial Management staff, and State of Michigan Auditor General staff to clarify how the State Bar of Michigan should implement GASB 75. As a result of the meeting, the GASB determined that the State Bar does not have a retiree health care plan for GASB 74 purposes, and that the State Bar will need to rescind adoption of GASB 74 and implement GASB 75 in a manner that is different from what we have previously assumed. Instead of recording a year-end adjustment to reduce the Administrative Fund balance for the GASB 75 liability based on our previous actuarial study, the State of Michigan will be providing the liability calculation that will result in a smaller adjustment for the State Bar's GASB liability. In addition, the assets of the State Bar's fiduciary fund and the Retiree Health Care Trust Fund will now be combined with the assets of the Administrative Fund, because the State Bar's Retiree Health Care Trust Fund no longer is considered a fiduciary fund for GASB purposes. The end result is that the State Bar had previously been expecting a reduction to net assets of the Administrative Fund as a result of GASB 75 implementation, and now the State Bar will be recording an increase to net assets of the Administrative Fund. However, there is no change to cash flow in total as a result of these adjustments. Details of the impacts were provided in a memo to the BOC.

Mr. Horsch reported that several Board members and all of the staff attorney members have paid their dues online on the new e-commerce system, and the Communications staff will be sending an e-blast to members later today to invite them to pay their dues.

Ms. Warnez thanked the committee members and SBM staff for their work during the past year.

Audit, Dana M. Warnez, Chairperson

Ms. Warnez indicated that the Audit Committee met via conference call on September 20 and reviewed and approved the 2018 incentive compensation package.

Communications and Member Services, Dennis Barnes, Chairperson

Mr. Barnes reported that there were no business items for the Board to consider. He thanked the committee members and SBM staff for their work during the past year.

Professional Standards, Robert J. Buchanan, Chairperson

In Mr. Buchanan's absence, Mr. Gardella provided the committee report to the Board. He reported that there was one item to come before the Board, the Regulatory Objectives Workgroup Report, which was tabled at the July meeting.

A motion was offered and supported to take this item off the table. The motion was approved.

Mr. Gardella introduced Stephanie LaRose, Professor of Law at Michigan State University College of Law and Mark Armitage, Executive Director of the Attorney Discipline Board, who addressed the Board. Both Professor LaRose and Mr. Armitage served on the Regulatory Objectives Workgroup, which was appointed as a result of one of the recommendations of the of the 21st Century Practice Task Force.

A motion was offered and supported to postpone consideration of the report until the January 16, 2019 Board meeting to allow time to solicit more input from State Bar members. The motion was approved.

On behalf of Chair Buchanan, Mr. Gardella thanked the committee members and SBM staff for their work during the past year.

Public Policy, Jennifer Grieco, Chairperson

Court Rules

ADM File No. 2017-15: Proposed Amendment of Canon 7 of the Michigan Code of Judicial Conduct

The proposed amendment of Canon 7 of the Code of Judicial Conduct would explicitly allow judicial campaign solicitation as permitted by law, eliminate the \$100 per lawyer limitation, and remove the disclaimer requirement. This change would bring Michigan's canons into conformity with the majority of states that have moved away from solicitation restrictions and instead opted to refer to statutory campaign provisions.

A motion was offered and supported to take no position on this proposed amendment. The motion was approved. Commissioners Dunnings, McGinnis, and Riordan abstained.

Ms. Grieco thanked the committee members and SBM staff for their work during the past year.

LEADERSHIP REPORTS

President's Report, Donald G. Rockwell, President

Proposal for Task Force on State Bar Scope of Operations, Structure, and Governance

Mr. Rockwell made a motion that a Task Force on State Bar Scope of Operations, Structure, and Governance be appointed. The motion was supported and approved.

Executive Director's Contract

Mr. Rockwell made a motion to approve a one year extension of the Executive Director's employment contract, which will expire on September 30, 2019, including the terms discussed with Ms. Welch and the officers of the State Bar of Michigan. The motion was supported and approved.

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

2018 SBM Accomplishments

Ms. Welch reviewed a list of the major accomplishments of the State Bar in 2018 with the Board.

Janus\Fleck

Ms. Welch provided the Board with an overview of the current status of the cert petition for *Fleck v Welch*, challenging the mandatory status of the State Bar of North Dakota, and the possible implications for 32 mandatory bars. Ms. Welch continues to be in contact with the executive directors of mandatory state bars.

There have been two challenges since the *Janus* decision in June: one from Oregon and another as an amendment to a petition already pending in the 9th Circuit lawsuit against the Washington State Bar Association.

Ms. Welch said that she will continue to keep the Board informed about this issue and encouraged commissioners to attend the RA meeting to hear her presentation on this issue.

LRS Update

Ms. Welch asked Ms. Vrooman to provide the Board with an update on the online legal referral pilot program. For more than a year we have been building the elements of a new lawyer referral system while maintaining elements of our traditional system. It is anticipated that the switch to the new system could take place as early as the end of October. Meanwhile, one of the pieces that has fallen into place and is already operating within the pilot is a Modest Means Program module; we are working on incorporating Limited Scope Representation as soon as possible. She stated that the objective and goal of the Legal Resource Center is making the search for legal representation a better experience for consumers and attorneys.

Ms. Vrooman said that there will be a booth in the exhibitor's hall to provide information about the legal resource center and to recruit members to join the lawyer referral system.

Professionalism Summit

Ms. Welch asked Ms. Crowley to provide the Board with an update on an event that is taking place next month on professionalism and civility in the court system. She stated that the program is a result of a request from members in Oakland County and Grand Rapids who thought it was time to have a conversation about these topics. Ms. Crowley reported that the Professionalism Summit is taking place on Thursday, October 18 at the Hall of Justice and that Ms. Grieco, Chief Justice Stephen Markman, and Past Presidents Ed Pappas, W. Anthony Jenkins, and Dennis Archer are among the presenters. Invitations have been sent to over 100 members.

Representative Assembly (RA) Report, Joseph P. McGill, Chairperson

Mr. McGill reported that the Representative Assembly has a full day of activities planned for tomorrow's meeting. Agenda items include: filling the vacancies on the RA, a presentation on the *Fleck v Welch* case and the impact on mandatory bars, presenting the RA awards, an election for RA Clerk, and the installation of Mr. Richard Cunningham as Chair. Action items include: the proposal on the Governance Task Force and multiple proposals to amend the RA's Permanent Rules of Procedure.

Other Reports

Young Lawyers Section (YLS) Report, Syeda F. Davidson, Chairperson

Ms. Davidson provided the Board with an update on recent activities of the YLS.

Recognition of Retiring Board Members

Robert C. Gardella, written and presented by Victoria A. Radke
Krista L. Haroutunian, written and presented by Edward L. Haroutunian
Joseph P. McGill, written and presented by Richard L. Cunningham
Hon. Maureen M. McGinnis, written and presented by Jennifer M. Grieco
Shenique A. Moss, written and presented by Syeda F. Davidson
Jules B. Olsman, written and presented by Daniel D. Quick
Hon. Michael J. Riordan, written and presented by Dana M. Warnez
Brian D. Shekell, written and presented by Joseph J. Baumann

Recognition of SBM President, Donald G. Rockwell

Ms. Grieco presented a plaque and scrapbook to Mr. Rockwell in recognition and appreciation of his year as President.

FOR THE GOOD OF THE PUBLIC AND THE PROFESSION

Comments or Questions from Commissioners

Ms. Grieco recommended to the Board members that they take some time and listen to the podcasts on the SBM website.

Comments or Questions from the Public

There were none.

Adjournment

The meeting was adjourned at 3:30 p.m.