

President Grieco called the meeting to order at 8:30 a.m. on June 14, 2019 in the Grand Pavilion Room of the Grand Hotel on Mackinac Island.

Commissioners present:

David C. Anderson
Dennis M. Barnes, President-Elect
Joseph J. Baumann
Robert J. Buchanan, Vice President
Aaron V. Burrell
Hon. Clinton Canady III
B.D. "Chris" Christenson
Richard L. Cunningham
Syeda F. Davidson
Josephine A. DeLorenzo
Hon. Shauna L. Dunnings
Andrew F. Fink III
Jennifer M. Grieco, President
Lisa J. Hamameh

Kara R. Hart-Negrich
Edward L. Haroutunian
James W. Heath, Treasurer
Thomas H. Howlett
E. Thomas McCarthy Jr.
Joseph P. McGill
Barry R. Powers
Daniel D. Quick
Victoria A. Radke
Chelsea M. Rebeck
Gregory L. Ulrich
Dana M. Warnez, Secretary
Erane C. Washington

Commissioners absent and excused:

Danielle Mason Anderson
Michael S. Hohaus

Hon. David A. Perkins
Ryan Zemke

State Bar staff present:

Janet Welch, Executive Director
Marge Bossenbery, Executive Coordinator
Greg Conyers, Director of Diversity
Peter Cunningham, Assistant Executive Director and Director, Governmental Relations
Cliff Flood, General Counsel
Danon Goodrum-Garland, Director, Professional Services Division
Darin Day, Director of Outreach
Kathryn Hennessey, Public Policy Counsel
James Horsch, Director, Finance and Administration Division
Robert Mathis, Pro Bono Service Counsel
Kari Thrush, Assistant Director, Communications and Member Services Division
Anne Vrooman, Director of Research & Development

Guests

Justice Brian Zahra, Michigan Supreme Court
David Watson, Executive Director, ICLE

Consent Agenda

The Board received the minutes from the April 12 and May 2, 2019 Board meetings.

The Board received the minutes from the March 26 and May 14, 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 2019 Financial Reports through April 2019.

The Board received a section dues amendment from the Workers' Compensation Law Section.

Ms. Grieco 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.

LEADERSHIP REPORTS

President's Report, Jennifer M. Grieco, President

Introduction of Guests

Ms. Grieco introduced Justice Brian Zahra and thanked him for attending the BLF.

Ms. Grieco introduced David Watson, Executive Director of ICLE.

Officer Election Candidates

Ms. Grieco reported that Mr. McGill, Mr. Quick, and Ms. Washington had submitted paperwork to be candidates for the elected position of treasurer of the Board for 2019-2020.

Strategic Planning Committee Update

Ms. Grieco informed the Board that the committee had met twice since the April meeting and provided the Board with an update on what the committee was considering regarding the structure of the SBM committees.

State Bar Operations, Structure, and Governance Task Force Update

Ms. Grieco informed the Board members that they will receive a survey this afternoon asking them about their experiences on the BOC, specifically how the Board is running, their engagement level, the composition of the Board, and its interaction with the Representative Assembly. She asked the Board to complete and return the survey as soon as possible, but no later than June 26.

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

Fleck v Wetch Update

Ms. Welch informed the Board that oral arguments on the *Fleck v Wetch* case were heard in Minneapolis on June 13.

Ms. Welch reported that since the April Board meeting she has been a speaker at the Equal Access to Justice Conference in Kentucky and the ABA National Conference on Professional Responsibility in Vancouver. At both conferences she addressed the topic of the future of integrated bars.

Election Update

Ms. Welch asked Ms. Bossenbery to provide the Board with an update on the 2019 SBM election. Ms. Bossenbery reported that the number of attorneys who have voted is slightly higher than 2018, that the election ends on June 15, and that the results will be certified by the Board of Tellers on June 26.

In response to a question about whether the State Bar sells attorneys' email addresses to interested parties, Ms. Grieco stated that it is currently against SBM policy to do so. She reported that requests were made for the emails from candidates this year and that the Executive Committee discussed the issue. The EC decided not to make email addresses available to candidates in 2019 but will consider this issue before the next election cycle begins, including the option of free availability to all candidates who qualify for the ballot.

IT Audit

Ms. Welch stated that the audit was undertaken earlier this year and asked Mr. Horsch to provide the Board with an overview of the process and recommendations that resulted. Mr. Horsch stated that the audit was conducted by Plante Moran and that the SBM was impressed by the quality of the consultants who conducted the audit. After reviewing some of the more comprehensive recommendations with the Board, Mr. Horsch indicated that the cost of implementing recommendations would be \$600K over a three-year period and some of those recommendations are included in the FY 2020 budget.

Ms. Welch stated the SBM constantly needs to refresh and redesign IT resources as we transition into a more automated environment.

FY 2020 Preliminary Budget—Key Budget Assumptions

Ms. Welch asked Mr. Horsch to review the preliminary FY 2020 key budget assumptions. Mr. Horsch reviewed the key budget assumptions and informed the Board that the preliminary budget is showing an excess of expenditures over revenue of just over \$1.8 million, which is better than what was projected previously in the long-range plan. He noted that the assumptions were reviewed by both the Finance Committee and the officers for input. He responded to questions and reported that the Finance Committee will meet with staff on July 11 to review the FY 2020 proposed budget.

Ms. Grieco reported that one of the FTEs included in the assumptions is for a full-time general counsel position. She informed the Board of Mr. Flood's intention to retire effective October 1, 2019. She stated that she had appointed a committee to make a recommendation on filling the position and that the committee will meet soon.

CloudLaw Licensing Agreement

Ms. Welch provided the Board with a review of the history of the relationship between the State Bar and CloudLaw, formerly known as ZeekBeek. She asked Mr. Flood to describe a proposed software licensing agreement to the Board. This agreement would allow for the continuation of the enhanced directory for State Bar members. Mr. Flood provided the Board with a memo describing the topics that were negotiated within the agreement and then reviewed the content of the memo and the proposed agreement. Mr. Flood stated that this matter was considered on an advisory basis by the Executive Committee at its May 14 meeting and is now presented to the full Board for its consideration. Ms. Welch and Mr. Flood responded to questions from Board members.

A motion was offered and seconded to authorize the executive director to sign the amended licensing agreement and the drag-along agreement with CloudLaw. A roll call vote was taken. The motion was approved.

Ayes

David Anderson, Barnes, Buchanan, Burrell, Canady, Christenson, Cunningham, Davidson, DeLorenzo, Dunning, Fink, Grieco, Hamameh, Hart-Negrich, Heath, Howlett, McCarthy, Powers, Radke, Rebeck, Warnez, Washington

Nays

Baumann, Haroutunian, McGill, Quick, Ulrich

Absent

Danielle Mason Anderson, Hohaus, Perkins, Zemke

Representative Assembly (RA) Report, Richard L. Cunningham, Chairperson

Mr. Cunningham reported that RA is on track with planning the agenda for the September RA meeting and indicated that the survey developed for the RA will be sent out soon.

Ms. Welch noted that at the April RA meeting the Assembly voted to support the Interim Administrator Program (IAP) and that when she presented an overview of the proposed IAP at a recent national Client Protection Fund conference, the reception was very enthusiastic.

Young Lawyers Section (YLS) Report, Kara R. Hart-Negrich, Chairperson

Ms. Hart-Negrich provided the Board with an update on recent activities of the YLS and mentioned that the Board of Commissioners was successful this year in the BOC v YLS challenge.

She informed the Board that the YLS held its 12th Annual Summit in Detroit and held its first Past YLS Chair Advisory Committee meeting, which was well received. She reported that 20 past chairs attended and that they plan to continue this meeting in the future.

COMMISSIONER COMMITTEES REPORTS

Finance Committee, James W. Heath, Chairperson

Mr. Heath reviewed the highlights of the FY 2019 financial reports through April 2019.

Mr. Heath stated that the committee approved three new financial policies regarding transfer of funds between financial institutions, transfer of cash or investments from the CPF, and the approval of checks \$15K or greater. Those policies will be brought before the Board for action at its July meeting.

Professional Standards, Dana M. Warnez, Chairperson

Ms. Warnez reported that the Professional Standards Committee met by conference call on June 13 to address outstanding matters regarding Unauthorized Practice of Law (UPL) complaints recommended for litigation by the UPL Standing Committee and Client Protection Fund (CPF) claims recommended for payment, and proposed amendments to the CPF Rules recommended by the CPF Standing Committee.

Communications and Member Services, Robert J. Buchanan, Chairperson

Liberty Bell Award

A motion was offered and supported to award Stefanie Mezigia the 2019 State Bar of Michigan Liberty Bell Award. The motion was approved.

Public Policy, Dennis M. Barnes, Chairperson

Court Rules

ADM File 2018-27: Proposed Rescission of MCR 8.123 Because counsel appointment plan review and data collection regarding payments for appointed counsel is now, by statute, a requirement of the Michigan Indigent Defense Commission under MCL 780.989 and MCL 780.993, this proposed amendment would rescind MCR 8.123, which requires certain data be collected from courts and plans for appointment be approved by SCAO.

ADM File No. 2018-27: Proposed Rescission of Administrative Order No. 1997-5 The proposed rescission of Administrative Order No. 1997-5 is consistent with the current practice of appointment of counsel, which is now governed by statute and regulated through the Michigan Indigent Defense Commission.

A motion was offered and supported to rescind the two court rules. The motion was approved.

Legislation

HB 4407 (Guerra) Courts; district court; authority of district court magistrate; expand. Amends sec. 8512 of 1961 PA 236 (MCL 600.8512).

A motion was offered and supported that this law is Keller permissible in that it improves the functioning of the courts. The motion was approved.

A motion was offered and supported to support this legislation. The motion was approved.

HB 4509 (VanSingel) Civil procedure; evictions; limited liability companies; allow members and others with personal knowledge to represent in certain situations. Amends 1961 PA 236 (MCL 600.101 - 600.9947) by adding sec. 5707

A motion was offered and supported that this law is Keller permissible in that it improves the functioning of the courts and affects the regulation and discipline of attorneys. The motion was approved.

A motion was offered and supported to oppose this legislation. The motion was approved.

Trial Court Funding Commission Interim Report

A motion was offered and supported that this is Keller permissible in that it affects the availability of legal services to society and improves the functioning of the court. The motion was approved.

A motion was offered and supported to support the recommendations presented in the Trial Court Funding Commission Interim Report. The motion was approved.

OTHER REPORTS

American Bar Association (ABA) Report

Mr. Ulrich reported that he will send out an ABA report to the Board.

FOR THE GOOD OF THE PUBLIC AND THE PROFESSION

Comments or Questions from Commissioners

Mr. Heath reported that the Michigan Indigent Defense Commission awarded Wayne County a \$17 million grant to provide indigent defense services.

Ms. Grieco acknowledged that Ms. Washington was awarded the Kappa Alpha Si Women of Achievement Award.

Ms. Grieco recognized that Mr. Conyers received the Trail Blazers Award from the Straker Bar Association.

Comments or Questions from the Public

Justice Zahra thanked the members of the Board for the opportunity to address them. He told the Board that the Supreme Court is going to reevaluate its decision regarding adopting the Unified Bar Exam (UBE) now that 38 states have adopted it. He also referenced the newly formed Justice for All Task Force, formed to better address the civil legal needs of all Michigan residents. He will represent the Court and lead the efforts of the task force.

Mr. Watson reported that ICLE has developed three on-demand seminars on LRS issues and that they are posted on the ICLE web page.

Ms. Grieco reminded the Board that Chief Justice Bridget McCormack is speaking to the BLF/UMLI attendees beginning at 12:30 p.m. and that she looked forward to seeing them there.

Adjournment

The meeting was adjourned at 11:23 a.m.