



Board of Commissioners

Agenda and Materials

November 22, 2019

STATE BAR OF MICHIGAN
BOARD OF COMMISSIONERS
FRIDAY, NOVEMBER 22, 2019
MICHAEL FRANCK BUILDING
LANSING, MI
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

Finance Committee Meeting..... No Meeting Scheduled
Professional Standards Committee Meeting..... Hudson Room
Communications and Member Services Meeting.....Room 3
Public Policy Meeting.....Room 2

**GROUP BOARD OF COMMISSIONERS AND INDIVIDUAL COMMISSIONER PHOTOS
WILL BE TAKEN PRIOR TO THE BEGINNING OF THE BOARD MEETING**

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

CONSENT AGENDA

II. **Minutes**

- A. September 25, 2019 Board of Commissioners* (both meetings)
- B. September 17, 2019 Executive Committee meeting*
- C. October 8, 2019 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 M. Quick, Chairperson

- A. FY 2019 Draft Financial Reports through September 30, 2019*
- B. Financial Safety Margin Calculation*

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

- A. District Character & Fitness Committee Appointments*
- B. Client Protection Fund Claims*
- C. Unauthorized Practice of Law Complaints**

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

- A. Model Jury Instructions*

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

- A. Appellate Practice Section*

LEADERSHIP REPORTS

- IX. **President’s Report**..... Dennis M. Barnes, President
- X. **Executive Director’s Report**Janet K. Welch, Executive Director
- XI. **Representative Assembly Report** Aaron V. Burrell, Chairperson
A. April 25, 2020 meeting
- XII. **Young Lawyers Section Report** Ryan M. Zemke, Chairperson

COMMISSIONER COMMITTEES

- XIII. **Finance**.....Daniel D. Quick, Chairperson
A. FY 2019 Financial Results
- XIV. **Audit Committee Update**Daniel D. Quick Chairperson
A. Audit Update
- XV. **Professional Standards** James W. Heath, Chairperson
- XVI. **Communications and Member Services**Dana M. Warnez, Chairperson
A. 2019 Annual Meeting Event Summary*
B. 2019 Golden Celebration Event Summary*
- XVII. **Public Policy**..... Robert J. Buchanan, Chairperson
A. Court Rules**
B. Legislation**

OTHER REPORTS

- XVIII. **American Bar Association (ABA) Report**Delegates

FOR THE GOOD OF THE PUBLIC AND THE PROFESSION

- XIX. **Comments or questions from Commissioners**
- XX. **Comments or questions from the public**
- XXI. **Adjournment**

*Materials included with agenda

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

President Grieco called the meeting to order at 1:45 p.m. on Wednesday, September 25, 2019 in the Emerald/Amethyst Rooms of the Suburban Collection Showcase.

Commissioners present:

David C. Anderson
Dennis M. Barnes, President-Elect
Joseph J. Baumann
Robert J. Buchanan, Vice President
Aaron V. Burrell
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
Michael S. Hohaus
Thomas H. Howlett
Joseph P. McGill
Valerie R. Newman
Hon. David A. Perkins
Daniel D. Quick
Victoria A. Radke
Chelsea M. Rebeck
Gregory L. Ulrich
Dana M. Warnez, Secretary
Erane C. Washington
Ryan Zemke

Commissioners absent and excused:

Danielle Mason Anderson
Hon. Clinton Canady III

E. Thomas McCarthy Jr.
Barry R. Powers

State Bar staff present:

Janet Welch, Executive Director
Marge Bossenbery, Executive Coordinator
Jennifer Clark, Administrative/Clinical Assistant
Gregory Conyers, Director of Diversity
Candace Crowley, Senior Consultant
Peter Cunningham, Assistant Executive Director and Director, Governmental Relations
Darin Day, Director of Outreach
Cliff Flood, General Counsel
Kathy Gardner, Unauthorized Practice of Law 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
Nkrumah Wynn Johnson, Assistant General Counsel
Molly Ranns, Case Monitor, Professional Standards Division
Alecia Ruswinckel, Assistant Division Director, Professional Standards Division
Carrie Sharlow, Administrative Assistant
Jeanette Socia, Human Resources Director
Kari Thrush, Assistant Director, Communications and Member Services Division
Anne Vrooman, Director of Research & Development

Guests

Jennifer Bentley, Executive Director, Michigan State Bar Foundation
Erika L. Butler
Susan Haroutunian
Sarah E. Kuchon
Suzanne C. Larsen
James W. Low
Nicholas M. Ohanesian
Samantha J. Orvis
Thomas G. Sinas
David Watson, Executive Director, ICLE
Mark A. Wisniewski

Consent Agenda

The Board received the minutes from the July 26, 2019 Board meeting.
The Board received the minutes from the July 16 and August 20, 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 Client Protection Fund Claims.
The Board received the Unauthorized Practice of Law complaints.
The Board received the FY 2019 Financial Reports through July 2019.
The Board received the Model Criminal Jury Instructions.
The Board received a Health Care Law Section Bylaw Amendment

Ms. Grieco 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, Jennifer M. Grieco, President

Ms. Grieco welcomed the guests and new 2019-2020 commissioners in attendance. She reported that:

- the Task Force on State Bar Operations, Structure and Governance met with the consultants on September 10 to review the results of the survey and to discuss next steps. Ms. Grieco referred commissioners to "Lines of Inquiry" and asked them to review and provide any comments on these questions to Peter Cunningham. A short video from the consultants will be played during the RA meeting, which includes the Task Force's discussions to date. Commissioners will receive a link to the video to watch at their convenience.
- the Implicit Bias event for Commissioners, Section Chairs, and SBM staff on September 11 was a success. Ms. Welch added that the staff was grateful for being included. Mr. Conyers reported that materials from the session are forthcoming and will be distributed as soon as they become available.
- a meeting took place with the staff and leaders of local bar associations to update them on the constitutional challenges to integrated bars.

A motion was offered and seconded for the Board to go into a closed session to discuss a personnel matter. The motion was approved. The Board went into a closed session at 1:50 p.m. and returned to open session at 2:20 p.m.

Ms. Grieco recognized Mr. Flood's work as General Counsel of the State Bar for the past thirteen years and announced that the Board voted to hire Ms. Kathryn Hennessey, Public Policy Counsel, as General Counsel.

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

Ms. Welch reported that:

- the Task Force on Ethics and the Regulation of Legal Marketing continues to meet to address this challenging topic.
- the Professionalism Work Group has finalized its work product and it will be considered by the RA at its meeting tomorrow.
- the Michigan Supreme Court's Justice for All Committee continues its work.
- the online dues process is going relatively well. She recognized the staff who respond to members who experience challenges with the system.
- the hacking incident from last spring has been resolved. She recognized the team who worked on this issue, especially those who contacted those members affected, and Ms. Johnson-Wynn who led the legal work.
- she spoke at the International Society of Legal International conference in Edinburgh, Scotland on the role of legal regulators in access to justice.

Ms. Welch provided the Board with an overview of the major accomplishments of the State Bar of Michigan during FY 2019.

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

Mr. Cunningham, reviewed the proposals on RA agenda, reminded the Board of Mr. Burrell's will be installation as Chair of the RA, and invited all to attend.

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.

COMMISSIONER COMMITTEES REPORTS

Finance Committee, James W. Heath, Chairperson

Mr. Heath reviewed the highlights of the FY 2019 financial reports through July 31, 2019.

Audit Committee

Mr. Heath reported that a conference call took place on Friday, September 20 to review and approve the proposed staff incentive compensation package and that the FY 2019 audit is in progress. This is the last year for the current auditing firm under SBM audit rotation policy. An RFP for a new auditing firm will go out for bid in January 2020.

Professional Standards, Dana M. Warnez, Chairperson
Proposed Amendments to Client Protection Fund (CPF) Rules and Proposed Rule 20 of the Rules Concerning the State Bar (SBR)

Ms. Warnez presented proposed amendments to proposed SBR 20. A motion was offered and supported to adopt the proposed revisions. The motion was approved.

Ms. Warnez presented proposed amendments to CPF Rule 9(B). A motion was offered and supported to adopt the proposed amendments. The motion was approved.

Ms. Warnez presented proposed amendments to CPF Rule 9(D)(9). A motion was offered and supported to adopt the proposed amendments. The motion was approved.

Ms. Warnez presented proposed amendments to CPF Rule 10(B)(6) and CPF Rule 11(I). A motion was offered and supported to adopt the proposed amendments. The motion was approved.

Ms. Warnez presented proposed amendments to CPF Rule 10(D). A motion was offered and supported to adopt the proposed amendments. The motion was approved.

Ms. Warnez presented proposed amendments of the CPF Rules to comport with current practices of the claims administration procedure and improve clarity of the Rules. A motion was offered and supported to adopt the proposed amendments. The motion was approved.

Ms. Warnez presented proposed amendments of the CPF Loss Policy. A motion was offered and supported to adopt the proposed amendment. The motion was approved.

Communications and Member Services, Robert J. Buchanan, Chairperson
Insurance Services

Mr. Buchanan presented the Board with an overview of the procedure taken and the committee's rationale in selecting MDA Insurance & Financial Group as the insurance provider for SBM attorneys. A motion was offered and supported for the State Bar of Michigan to contract with MDA Insurance & Financial Group as their exclusive insurance provider of term life, disability income, business overhead expense, hospital indemnity, accidental death and dismemberment, and dental. The motion was approved.

Public Policy, Dennis M. Barnes, Chairperson
Court Rules

ADM File 2018-36: Proposed Amendment of MCR 3.802

The proposed amendment of MCR 3.802 would eliminate references to the "noncustodial parent" to make the rule consistent with the statute (MCL 710.51) allowing stepparent adoption when the petitioning stepparent's spouse has custody according to a court order, rather than requiring sole legal custody.

A motion was offered and supported this proposed amendment. The motion was approved.

ADM File 2015-21: Amendments of MCR 3.965, 3.971, 3.972, 3.973, and 3.993

The amendments of MCR 3.965, 3.971, 3.972, 3.973, and 3.993 incorporate a requirement for a trial court to notify a respondent in a child protection proceeding of the right to appeal following a child's removal from the home and the initial dispositional order, and that failure to do so may bar respondent from later challenging the court's assumption of jurisdiction.

A motion was offered and supported to support the rule changes as a necessary first step in responding to the *In re Ferranti* decision; however, the board understands that SCAO has formed a workgroup with judges, court administrators, representatives from DHHS, and practitioners and supports that workgroup's efforts to further improve the rules, and recommends the changes recommended by the Civil Procedure & Courts Committee be incorporated into the rules. The motion was approved.

ADM File 2018-23: Proposed Alternative Amendments of MCR 6.610

The proposed alternative amendments of MCR 6.610 would allow discovery in misdemeanor proceedings in the district court. Alternative A would create a structure similar to the federal rules (FR Crim P 16[b]) in which a defendant's duty to provide certain discovery would be triggered only if defense counsel first requested discovery from the prosecution, and the prosecution complied. Alternative B is a proposal recommended by the Prosecuting Attorneys Association of Michigan in its comment on the original proposal published for comment in this file.

A motion was offered and supported to support Alternative A and to continue to urge the Court to assist with funding to carry out these orders. The motion was approved.

ADM File 2019-02: Proposed Amendment of MCR 9.123

The proposed amendment of MCR 9.123 would update the attorney discipline process for reinstatement of short-term suspensions and allow for abatement or modification of a condition in certain circumstances. The Attorney Discipline Board and Attorney Grievance Commission submitted the proposal jointly.

A motion was offered and supported to support the concept of the proposed rule amendment but note that further amendments are needed to address timelines, forums and procedure/due process. The motion was approved.

ADM File 2018-31: Proposed Amendment of Rule 2 of the Rules Concerning the State Bar

The proposed amendment of Rule 2 of the Rules Concerning the State Bar of Michigan would update and expand the rule slightly to include reference to a member's email address.

A motion was offered and support to support the proposed amendment to Rule 2 with one amendment that attorneys be required to submit only one primary email address that can be used for electronic service and SBM license notifications. The motion was approved.

Legislation

Bail Bond Procedures

- **HB 4351** (LaGrand) Criminal procedure; bail; procedure for bail hearings and criteria a court must consider; amend. Amends sec. 6, ch. V of 1927 PA 175 (MCL 765.6).
- **HB 4352** (Peterson) Criminal procedure; bail; procedure a court must follow in imposing financial condition on pretrial release; amend. Amends 1927 PA 175 (MCL 760.1 - 777.69) by adding sec. 6f to ch. V.
- **HB 4353** (Howell) Crimes; penalties; remove cases in which a court must impose a cash bond and penalties for misrepresentation on a financial disclosure form; provide for. Amends sec. 6a, ch. V of 1927 PA 175 (MCL 765.6a).
- **HB 4354** (VanSingel) Criminal procedure; bail; criteria a court must consider before imposing a financial condition of release; amend. Amends 1927 PA 175 (MCL 760.1 - 777.69) by adding sec. 6e to ch. V.
- **HB 4355** (Neeley) Criminal procedure; bail; interim bail bonds for misdemeanors; modify. Amends sec. 1 of 1961 PA 44 (MCL 780.581).

- **HB 4356** (Johnson) Criminal procedure; bail; authority for officer to issue appearance ticket; modify. Amends sec. 9c, ch. IV of 1927 PA 175 (MCL 764.9c).
- **HB 4357** (Brann) Criminal procedure; bail; setting of bond related to spousal or child support arrearage; modify. Amends sec. 165 of 1931 PA 328 (MCL 750.165).
- **HB 4358** (Garrett) Criminal procedure; bail; data on specific number and type of bonds issued; require district court to submit to state court administrative office. Amends 1927 PA 175 (MCL 760.1 - 777.69) by adding sec. 6g to ch. V.
- **HB 4359** (Yancey) Criminal procedure; bail; data on specific number and type of bonds issued; require circuit court to submit to state court administrative office. Amends 1927 PA 175 (MCL 760.1 - 777.69) by adding sec. 6h to ch. V.
- **HB 4360** (LaFave) Traffic control; driver license; reference to surrendering license as condition of pretrial release; remove to reflect changes in code of criminal procedure. Amends sec. 311a of 1949 PA 300 (MCL 257.311a).
Action on this legislation was tabled.

OTHER REPORTS

American Bar Association (ABA) Report

No report was given.

SPECIAL PRESENTATIONS

Recognition of Outgoing Board Members

Richard L. Cunningham written and presented by Aaron V. Burrell
 Syeda F. Davidson written and presented by Kara R. Hart-Negrich
 Andrew F. Fink III written and presented by Joseph P. McGill
 Edward L. Haroutunian written and presented by Daniel D. Quick
 Michael S. Hohausser written and presented by B.D. "Chris" Christenson
 Victoria A. Radke written and presented by Dana M. Warnez

Recognition of President Jennifer M. Grieco

Mr. Barnes thanked Ms. Grieco for her years of service to the State Bar, especially the past year as President, and presented her with a plaque and scrapbook.

Ms. Grieco expressed her appreciation to the Board members and SBM staff for their assistance during her time on the Board.

FOR THE GOOD OF THE PUBLIC AND THE PROFESSION

Comments or Questions from Commissioners

Comments or Questions from the Public

Adjournment

The meeting was adjourned at 3:50 p.m.

President Barnes called the meeting to order at 4:00 p.m. on Wednesday, September 25, 2019 in the Emerald/Amethyst Rooms of the Suburban Collection Showcase.

Commissioners present:

David C. Anderson	Suzanne C. Larsen
Dennis M. Barnes, President	James W. Low
Joseph J. Baumann	Joseph P. McGill
Robert J. Buchanan, President-Elect	Valerie R. Newman
Aaron V. Burrell	Samantha J. Orvis
Erika L. Butler	Hon. David A. Perkins
B.D. "Chris" Christenson	Daniel D. Quick, Treasurer
Josephine A. DeLorenzo	Chelsea M. Rebeck
Hon. Shauna L. Dunnings	Thomas G. Sinas
Lisa J. Hamameh	Gregory L. Ulrich
Kara R. Hart-Negrich	Dana M. Warnez, Vice President
James W. Heath, Secretary	Erane C. Washington
Thomas H. Howlett	Mark A. Wisniewski
Sarah E. Kuchon	Ryan Zemke

Commissioners absent and excused:

Danielle Mason Anderson	Hon. Clinton Canady III
E. Thomas McCarthy Jr.	Barry R. Powers

State Bar staff present:

Janet Welch, Executive Director
Marge Bossenbery, Executive Coordinator
Gregory Conyers, Director of Diversity
Peter Cunningham, Assistant Executive Director and Director, Governmental Relations
Cliff Flood, General Counsel
Kathy Gardner, Unauthorized Practice of Law 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
Nkrumah M. Johnson-Wynn, Assistant General Counsel
Robert Mathis, Pro Bono Service Counsel
Kari Thrush, Assistant Director, Communications and Member Services Division
Anne Vrooman, Director of Research & Development

Guests

Ronald Keefe, Past President of the State Bar
Marilyn Keefe
Nicholas M. Ohanesian
David Watson, Executive Director, ICLE

Mr. Barnes welcomed the members of the Board.

Mr. Barnes asked that the new members introduce themselves.

Mr. Keefe administered the oath of office to the Board members.

A motion was offered and supported to appoint an Executive Committee. The motion was approved.

The Board received their Commissioner Committee and section liaison appointments.

The Board received the dates of the Board of Commissioners and Representative Assembly meetings.

Adjournment

The meeting was adjourned at 4:30 p.m.

State Bar of Michigan
Executive Committee Conference Call
Tuesday, September 17, 2019
4:00 p.m.

Call to Order: President Grieco called the meeting to order at 4:05 p.m.

Members Present: President Jennifer M. Grieco, President-Elect Dennis M. Barnes, Secretary Dana M. Warnez, Treasurer James W. Heath, Representative Assembly Chair Richard L. Cunningham, Representative Assembly Vice-Chair Aaron V. Burrell, and Commissioners Daniel D. Quick and Erane C. Washington.

Members Absent: Vice President Robert J. Buchanan and Commissioner Syeda F. Davidson.

State Bar Staff Present: Janet Welch, Executive Director; Margaret Bossenbery, Executive Coordinator; Nancy Brown, Director of Member and Communication Services; Gregory Conyers, Director of Diversity; Cliff Flood, General Counsel; Danon Goodrum-Garland, Director of Professional Standards; James Horsch, Director of Finance & Administration; and Anne Vrooman, Director of Research & Development.

Approval of August 20, 2019 meeting minutes

President Grieco introduced the August 20, 2019 EC meeting minutes. After review, a motion was made and seconded to approve the minutes. The motion passed.

President's Report

President Grieco thanked everyone for their participation in the implicit bias program. The program was a success with great interaction with many positive comments. The survey results will be helpful for planning future programs. She also previewed the roundtable meeting of local bar executive directors and SBM leaders to be held tomorrow.

Ms. Grieco thanked everyone on the Executive Committee for their work this past year.

Representative Assembly Chair's Report

Representative Assembly Chair Cunningham reported on the September 26, 2019 RA meeting to be held in Novi.

Executive Director's Report

Ms. Welch reported on the status of testing of the license renewal process, reported on the recent power outage at the State Bar offices, reported on the status the Taylor lawsuit and answered questions, and reported on a follow-up call with a member with a CPF concern. Mr. Horsch and Mr. Flood provided an update on the June e-mail breach and answered questions.

September 25, 2019 Board of Commissioner Meeting Agendas

Ms. Bossenbery reviewed the BOC agenda for the final BOC meeting in 2018-2019, and the agenda for the first BOC meeting in 2019-2020. A motion was made and seconded to approve the agendas. The motion passed.

Resolution to Approve Line of Credit from MSU Federal Credit Union

Mr. Horsch reviewed the rationale and terms for the 2-year \$500,000 line of credit, and the proposed resolution. The credit line is for emergency liquidity purposes and having the line in place would be prudent in case of a problem with the online license renewal and fee collection process. Drawing on the line of credit would require approval by the executive director and treasurer. A motion was made and seconded to approve the resolution. After questions and discussion, the motion passed.

Adjournment

There being no further business for the Executive Committee, President Grieco adjourned the meeting at 4:32 p.m.

Submitted by James C. Horsch
October 3, 2019

**State Bar of Michigan
Executive Committee Conference Call
Tuesday, October 8, 2019
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, Treasurer Daniel D. Quick, Representative Assembly Chair Aaron V. Burrell, and Commissioners Thomas H. Howlett, Joseph P. McGill and Erane C. Washington.

Members Absent: Secretary James W. Heath and 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; Gregory Conyers, Director of Diversity; Peter Cunningham, Assistant Executive Director and Director of Governmental Relations; Cliff Flood, former General Counsel; Kathryn Hennessey, General Counsel; James Horsch, Director of Finance & Administration; and Anne Vrooman, Director of Research & Development.

Approval of September 17, 2019 meeting minutes

President Barnes introduced the September 17, 2019 EC meeting minutes. After review, a motion was made and seconded to approve the minutes. The motion passed.

President's Report

President Barnes reported it has been a busy couple of weeks with the annual meeting and other events. He reminded the group of the president's reception being held by his firm, and reviewed upcoming meetings with sections and local bars, a Supreme Court dinner, and the Great Rivers Conference.

Mr. Barnes asked for feedback on the annual meeting. It was noted that it went smoothly and that the awards luncheon came in under budget and on time, to favorable reviews. It was suggested that staff explore coordinating the Michigan State Bar Foundation event with the annual meeting next year.

Mr. Barnes also discussed the need to begin addressing the strategy and timing of a possible fee increase and asked for input on when and how this process should occur. Mr. Barnes will be communicating the approaching need for a fee increase during his bar meeting visits this year. The discussion will be ongoing.

Ms. Welch discussed the value of a critical issues survey among members, as an outgrowth of the discussion of a possible fee increase at the Representative Assembly meeting in September. The survey would best be circulated ahead of the impending Economics of Law Practice Survey, to avoid survey fatigue. The survey would be informed and augmented by workgroup and focus group input. Mr. Barnes agreed to work with Janet to get EC input on this and he will appoint a workgroup.

Mr. Barnes noted a tentative plan to hold the new member orientation meeting on November 21, the evening before the BOC meeting on November 22. If anyone would like an item to be placed on the agenda at a future EC meeting, please let him know.

Representative Assembly Chair's Report

Representative Assembly Chair Burrell reported on the agenda items during the September 26, 2019 RA meeting held in Novi including the RA awards, the finance presentation, the unopposed election of the new clerk, and the consultant video on the governance structure review. He noted that an e-mail will be sent to participants asking for feedback and comment on the meeting. Several proposals passed overwhelmingly, but the postponing of the Judicial Code of Conduct proposal was unfortunate. He will reach out to WLAM and reassure them that the issue will be back on the agenda in April and will suggest to WLAM that they reach out to the judges' associations for support.

Executive Director's Report

Ms. Welch reported on the Taylor lawsuit. Mr. Barnes will form a workgroup to review and make recommendations on bar activities related to this discussion, and Ms. Warnez agreed to serve on the workgroup.

Young Lawyers Section FY 2019 Negative Fund Balance Approval

Mr. Horsch reviewed the request of the Young Lawyers Section to incur a temporary negative fund balance at the end of FY 2019. Our policies require any section having a negative fund balance to obtain approval of the Board (or EC between BOC meetings). The fund balance will return to a positive balance in October after receipt of the FY 2020 subsidy. A motion was made and seconded to approve the FY 2019 year-end negative fund balance. After questions and discussion, the motion passed.

Other

Mr. Barnes noted that an e-mail will be sent to the BOC scheduling the new member orientation. Also, an in-person meeting of the officers is being considered in December.

Adjournment

There being no further business for the Executive Committee, President Barnes adjourned the meeting at 5:11 p.m.

Submitted by James C. Horsch
November 5, 2019

**President Dennis M. Barnes
President's Activities
September 25 through November 22, 2019**

Date	Event	Location
September 25 - 27	Board of Commissioners Meeting Inaugural Luncheon Representative Assembly Meeting 50 -Year Golden Celebration Luncheon	Novi
October 11	Alternative Dispute Resolution Section Meeting	Plymouth
October 15	Rochester Bar Association	Rochester
October 15	Antrim, Grand Traverse, Leelanau Bar Association Dinner with the Michigan Supreme Court Justices	Traverse City
October 23	Federal Bar Association, Eastern District Michigan Chapter State of the Court Luncheon	Detroit
October 28-30	Great Rivers Bar Leaders Conference	Scottsdale, AZ
November 6	Meet the Judges Networking Event Catholic Lawyers Society of Detroit, Incorporated Society of Irish American Lawyers, Polish American Lawyers, and University of Detroit School of Law	Detroit
November 18	Section Orientation	Lansing
November 22	Board of Commissioners Meeting	Lansing

**Executive Director Janet K. Welch
Executive Director Activities
September 25 through November 22, 2019**

Date	Event	Location
September 25	2019 Annual Meeting Board Meetings Representative Assembly Meeting 50 Year Golden Celebration	Novi
September 30	Conference call with work group from Justice for All Task Force	Lansing
October 1	Conference call with work group from Justice for All Task Force	Lansing
October 1	Conference call with Warner Norcross and Judd regarding Taylor v SBM	Lansing
October 2	Integrated Tech Committee Meeting	Lansing
October 3	All Staff Meeting	Lansing
October 4	Conference call with Jose Feliciano Sr about ABA Special Committee on Bar Services.	Lansing
October 7	Conference call with President Dennis Barnes	Lansing
October 8	Executive Committee Conference call	Lansing
October 8	Conference call with the Task Force on the Ethics and Regulation of Legal Services Marketing	Lansing
October 9	Conference call with work group from Justice for All Task Force	Lansing
October 9	Conference Call with Illinois State Bar	Lansing
October 15	Michigan Supreme Court Historical Society Breakfast with the Supreme Court Justices	Traverse City
October 15	Antrim, Grand Traverse, Leelanau Bar Associations Dinner with the Supreme Court Justices	Traverse City
October 15	Conference call with work group from Task Force on the Ethics and Regulations of Legal Services Marketing	Traverse City
October 16	Conference call with Michigan Supreme Court Historical Society Publications Committee	Leland

Date	Event	Location
October 16	Conference call with work group from Justice for All Task Force	Leland
October 16	Conference call with Illinois State Bar Association on LRS collaboration	Leland
October 18	Professionalism Work Group Meeting	Lansing
October 20- 23	Clio Cloud Conference (speaker)	San Diego
October 24	Meeting with the Task Force on the Ethics and Regulation of Legal Services Marketing	Lansing
October 24	Conference call with ABA Work Group on House Operations	Lansing
October 25	Legal Services Corporation Access to Justice Event	Ann Arbor
October 25	Conference call with Warner Norcross and Judd regarding SBM v Taylor	Lansing
October 27 - 31	Great Rivers Bar Leaders Conference	Scottsdale, AZ
November 1	Conference call with CloudLaw	Lansing
November 1	Conference call with Don Saunders National Legal Aid and Defender Association	Lansing
November 4	Capitol Club Meeting	Lansing
November 4	Meeting with Justice for All Task Force	Lansing
November 5	Meeting with Senator Pete Lucido	Lansing
November 6 – 8	National Legal Aid and Defender Association Annual Conference (speaker)	Detroit
November 12	Conference call with President Dennis Barnes	Lansing
November 13	Michigan Supreme Court Historical Society Board of Directors Meeting	Lansing
November 13	Michigan State Bar Foundation Meeting	Lansing
November 13	Michigan Supreme Court Historical Society Advocates Guild Dinner	Lansing
November 14	Conference call with Alan Treleaven Law Society of British Columbia	Lansing
November 18	Section Orientation	Lansing

Date	Event	Location
November 19	Meeting with the Task Force on the Ethics and Regulation of Legal Services Marketing	Lansing
November 21	Conference call with the consultants for the Task Force on State Bar Operations, Structure, and Governance	Lansing
November 21	Conference call with ABA Work Group on House Operations	Lansing
November 22	Board of Commissioners meeting	Lansing
November 22 – 23	ABA Standing Committee on Bar Activities and Services (SCOBAS) meeting	Chicago

State Bar of Michigan Financial Results Summary

12 Months Ended September 30, 2019

Fiscal Year 2019

Administrative Fund

Summary of FY 2019 Actual Results

For the year ended September 30, 2019, the State Bar had an Operating Loss of \$1,213,912 and Non-Operating Income of \$630,361, for a decrease in Net Position of \$583,551 in FY 2019. Net Position as of September 30, 2019 totaled \$12,217,220. Net Position excluding the impacts of the Retiree Health Care Trust net of the GASB 75 liability and related impacts totaled \$10,263,766.

Variance from Budget Summary:

YTD Operating Revenue - \$10,078 favorable to YTD budget, or 0.1%

YTD Operating Expense - \$647,996 favorable to YTD budget, or 5.8%

YTD Non-Operating Income - \$455,361 favorable to YTD budget, or 260.2%

YTD Change in Net Position - \$1,113,435 favorable to YTD budget

Key Budget Variances:

Operating Revenue variance - \$10,078 favorable to budget:

- Operating revenue was favorable to budget by \$10,078 for LRS fees, pro hac vice fees, C&F fees, website, and diversity grant. This was partially offset by unfavorable variances primarily in Annual Meeting, and to a lesser extent in Bar Journal, Directory, Print Center and LJAP.

Operating Expense variance - \$647,996 favorable to budget:

- Salaries and Employee Benefits/ Payroll Taxes - \$179,838 favorable - (2.5%)
 - Underage in salaries and benefits due to vacancies, lower health care expense due to employees selecting less expensive plans than budgeted, employees now paying a portion of dental expenses not budgeted, no longer expensing retiree health care trust contributions that were budgeted due to GASB 75 accounting rules.
- Non-Labor Operating Expenses - \$468,158 favorable - (11.3%)
 - Exec Offices - \$21,302 favorable - (2.7%) - Primarily Gen Counsel, R&D, JI, Outreach, Exec Office, and RA; partially offset by Diversity and HR (temp staff).
 - Finance & Admin - \$86,411 favorable - (6.5%) - Under in depreciation expense due to capital projects cancelled, expensed or not placed in service as planned; and under in facilities services and projects.

- Member & Communication Services - \$319,112 favorable - (17.3%) - Primarily Annual Meeting; and also Bar Journal, Member & Endorsed Services, website, LRS, BLF, Media Relations; partially offset by higher IT expense.
- Professional Standards - \$41,333 favorable - (25.2%) - Primarily C&F; and to a lesser extent all other departments.

Non-Operating Revenue Budget Variance - \$455,361 favorable to budget

- Investment income is favorable to budget by \$74,731 or 42.7%, due to higher interest rates, 2018 updated investment policy, and more favorable cash management opportunities than planned. Retiree Health Care Trust investment income is favorable to budget by \$384,640 due to investment gains, as no income or loss was budgeted for this item. A loss on disposal for \$4,000 was recorded for an IT project.

Cash and Investment Balance – Admin Fund

As of September 30, 2019, 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 \$8,263,185.

SBM Retiree Health Care Trust

As of September 30, 2019, the SBM Retiree Health Care Trust had a fund balance of \$3,468,044 which is an increase of \$437,118 so far in FY 2019, due to investment income of \$384,640 and contributions to the trust.

Capital Budget – Admin Fund

FY 2019 capital expenditures totaled \$272,627 which is under the capital budget by \$139,373, or 33.8%, due to several projects that were cancelled or deferred.

Client Protection Fund

The Net Position of the Client Protection Fund as of September 30, 2019 totaled \$1,996,791, a decrease of \$12,963 in FY 2019. Claims payments totaled \$541,410. In addition, there is a total of \$51,225 of approved claims awaiting subrogation agreements.

SBM Membership

As of September 30, 2019, the total active, inactive and emeritus membership in good standing totaled 46,092 attorney members, for a net increase of 377 members in FY 2019. A total of 922 new members joined the SBM during FY 2019.

**STATE BAR OF MICHIGAN
ADMINISTRATIVE FUND**

Unaudited and For Internal Use Only

**FINANCIAL REPORTS
September 30, 2019**

FY 2019

Note: Dues 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 August 31, 2019 and September 30, 2019

	August 31, 2019	Sept 30, 2019	Increase (Decrease)	%	Beginning of FY 2019 October 1, 2018
ASSETS AND DEFERRED OUTFLOWS					
Assets					
Cash	1,356,728	1,767,913	411,184	30.3%	871,888
Investments (CDARS and CD's)	8,753,528	8,753,528	0	0.0%	9,213,528
Accounts Receivable	247,842	299,325	51,483	20.8%	229,144
Due from (to) CPF	(42,790)	(7,740)	35,050	81.9%	15,354
Due from (to) Sections	(2,436,745)	(2,250,516)	186,229	7.6%	(2,256,271)
Due from Attorney Discipline System	0	0	0	N/A	344,632
Inventory	40,714	23,538	(17,176)	(42.2%)	23,412
Prepaid Expenses	337,774	434,486	96,713	28.6%	400,408
Retiree Health Care Trust Investment	3,408,504	3,468,044	59,540	1.8%	3,030,926
Capital Assets, net	3,737,057	3,800,582	63,525	1.7%	4,008,941
Total Assets	15,402,612	16,289,160	\$886,548	5.8%	\$15,881,962
Deferred Outflows of Resources related to pensions	38,024	34,117	(3,907)	(10.3%)	38,024
Deferred Outflows of Resources related to OPEB	139,752	313,165	173,413	124.1%	139,752
TOTAL ASSETS AND DEFERRED OUTFLOWS	15,580,388	16,636,442	\$1,056,054	6.8%	\$16,059,738
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
Liabilities					
Accounts Payable	73	390,272	390,199	532985.3%	566,297
Accrued Expenses	465,122	516,644	51,522	11.1%	483,538
Unearned Revenue	753,974	1,325,491	571,517	75.8%	258,946
Net Pension Liability	263,680	330,798	67,118	25.5%	263,680
Net OPEB Liability	1,634,710	1,603,186	(31,524)	(1.9%)	1,634,710
Total Liabilities	\$3,117,559	\$4,166,391	\$1,048,832	33.6%	\$3,207,171
Deferred Inflows of Resources related to pensions	15,856	28,262	12,406	78.2%	15,856
Deferred Inflows of Resources related to OPEB	35,940	224,569	188,629	524.8%	35,940
Total Liabilities and Deferred Inflows	\$3,169,355	\$4,419,222	\$1,249,867	39.4%	\$3,258,967
Net Position					
Invested in capital assets, net of related debt	3,737,057	3,800,582	63,525	1.7%	4,008,941
Invested in retiree health care, net of related liability	1,877,606	1,953,454	75,848	4.0%	1,500,028
Unrestricted	6,796,370	6,463,184	(333,185)	(4.9%)	8,791,830
Total Net Position	\$12,411,033	\$12,217,220	(193,813)	(1.6%)	\$12,800,771
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$15,580,388	\$16,636,442	\$1,056,054	6.8%	\$16,059,738

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 \$8,263,185 (See below):

	August 31, 2019	Sept 30, 2019	Increase (Decrease)	%	Beginning of FY 2019 October 1, 2018
CASH AND INVESTMENT BALANCES					
Cash	1,356,728	1,767,913	411,185	30.3%	871,888
Investments	8,753,528	8,753,528	0	0.0%	9,213,528
Total Available Cash and Investments	\$10,110,256	\$10,521,441	411,185	4.1%	\$10,085,416
Less:					
Due to Sections	2,436,745	2,250,516	(186,229)	(7.6%)	2,256,271
Due to CPF	42,790	7,740	(35,050)	(81.9%)	(15,354)
Due to Sections and CPF	\$2,479,535	\$2,258,256	(221,279)	(8.9%)	2,240,917
Due from ADS					344,632
Net Administrative Fund Cash and Investment Balance	\$7,630,721	\$8,263,185	\$632,464	8.3%	\$8,189,131
(Not including Retiree Health Care Trust)					

State Bar of Michigan
Statement of Revenue, Expense, and Net Assets
For the fiscal year ending September 30, 2019
FY 2019 Revenue

	FY 2019 Actual	FY 2019 Budget	Variance	Percentage	
Revenue					
Executive Offices					
Diversity Grant	10,000	0	10,000	N/A	Unbudgeted - Offsets additional diversity expense
Finance & Administration					
License Fees, Dues & Related	7,750,310	7,743,000	7,310	0.1%	
Investment Income - SBM Operations	249,731	175,000	74,731	42.7%	New investment policy in FY 18 along with better interest rates.
Investment Income - Ret HC Trust	384,630	0	384,630	N/A	
Other Revenue	426,006	402,247	23,759	5.9%	
Finance & Administration Total	<u>8,810,677</u>	<u>8,320,247</u>	<u>490,430</u>	<u>5.9%</u>	
Member & Communication Services					
Bar Journal Directory	40,232	46,800	(6,568)	(14.0%)	
Bar Journal 11 issues	149,325	164,450	(15,125)	(9.2%)	Lower in Display Advertising
Print Center	67,923	75,700	(7,777)	(10.3%)	
e-Journal and Website	84,711	70,500	14,211	20.2%	Higher revenue for electronic publications
BCBSM Insurance Program	100,000	100,000	0	0.0%	
Annual Meeting	26,246	112,750	(86,504)	(76.7%)	Restructuring of annual meeting (see also annual mtg expense reduction)
Labels	2,031	3,000	(969)	(32.3%)	
Upper Michigan Legal Institute	14,030	11,200	2,830	25.3%	
Bar Leadership Forum	12,097	10,250	1,847	18.0%	
Practice Management Resource Center	20	1,100	(1,080)	(98.2%)	
Lawyer Referral Service (LRS)	190,605	140,000	50,605	36.1%	Large payment from an attorney for a big case - percentage fee
Other Member & Endorsed Revenue	132,985	134,950	(1,965)	(1.5%)	
Member & Communication Services Total	<u>820,205</u>	<u>870,700</u>	<u>(50,495)</u>	<u>(5.8%)</u>	
Professional Standards					
Ethics	7,895	8,000	(105)	(1.3%)	
Character & Fitness	294,335	267,450	26,885	10.1%	
Lawyers and Judges Assistance Program	42,724	50,000	(7,276)	(14.6%)	C&F fee increase effective January 1 better impact than planned
Professional Standards Total	<u>344,954</u>	<u>325,450</u>	<u>19,504</u>	<u>6.0%</u>	
Total Revenue	9,985,836	9,516,397	469,439	4.9%	
Less: Investment Income	249,731	175,000	74,731	42.7%	
Investment Income - Ret HC Trust	<u>384,630</u>	<u>0</u>	<u>384,630</u>	<u>N/A</u>	
Total Operating Revenue	9,351,475	9,341,397	10,078	0.1%	

State Bar of Michigan
Statement of Revenue, Expense and Net Assets
For the fiscal year ending September 30, 2019
YTD FY 2019 Expenses

Expenses	FY 2019 Actual	FY 2019 Budget	Variance	Percentage	
Executive Offices					
Executive Office	89,965	85,050	4,915	5.8%	
Representative Assembly	48,078	55,600	(7,522)	(13.5%)	Travel less than anticipated
Board of Commissioners	141,644	134,500	7,144	5.3%	
General Counsel	40,749	45,050	(4,301)	(9.5%)	
Governmental Relations	70,482	68,335	2,147	3.1%	
Human Resources (incl. empl benefits)	1,911,146	1,993,056	(81,910)	(4.1%)	See Below
Outreach, Local Bar & Section Support	110,914	123,150	(12,236)	(9.9%)	Meals, training, promotional items, and most expense categories
Research and Development	21,751	34,065	(12,314)	(36.1%)	Unspecified projects were budgeted but not incurred
Justice Initiatives	137,828	151,300	(13,472)	(8.9%)	Under in pro bono programs, and also committee expenses, travel, meals.
Diversity	42,182	36,800	5,382	14.6%	
Salaries	1,535,936	1,539,706	(3,770)	(0.2%)	
Executive Offices Total	4,150,675	4,266,612	(115,937)	(2.7%)	
Finance & Administration					
Administration	36,865	39,175	(2,310)	(5.9%)	
Facilities Services	375,834	409,200	(33,366)	(8.2%)	Less maintenance and building projects
Financial Services	838,015	884,750	(46,735)	(5.3%)	See below
Salaries	465,276	469,056	(3,780)	(0.8%)	
Finance & Administration Total	1,715,990	1,802,181	(86,191)	(4.8%)	
Member & Communication Services					
Bar Journal Directory	53,908	58,000	(4,092)	(7.1%)	
Bar Journal 11 Issues	504,917	554,800	(49,883)	(9.0%)	Lower in paper, printing, and mailing
Print Center	65,391	69,000	(3,609)	(5.2%)	
Website	87,783	117,625	(29,842)	(25.4%)	Lower website maintenance and lower in Higher Logic portal expenses
e-Journal	32,932	39,450	(6,518)	(16.5%)	
Media Relations	56,936	75,300	(18,364)	(24.4%)	Lower in SBM newsletter, video services, travel, training, and other expenses
Member & Endorsed Services	93,380	132,500	(39,120)	(29.5%)	Under in promotion of the bar expense
Annual Meeting	57,660	233,900	(176,240)	(75.3%)	Restructuring of annual meeting
Bar Leadership Forum	24,801	38,100	(13,299)	(34.9%)	Lower staff travel, committee travel and speaker expenses
Practice Mgt Resource Center (PMRC)	3,697	7,250	(3,553)	(49.0%)	
UMLI	25,409	29,600	(4,191)	(14.2%)	
Lawyer Referral Service (LRS)	5,052	21,600	(16,548)	(76.6%)	Went to in-house credit card processing
Information Technology Services	517,647	471,500	46,147	9.8%	
Salaries	1,969,730	2,060,000	(90,270)	(4.4%)	Media relations and IT position vacancies
Member & Communication Services Total	3,499,243	3,908,625	(409,382)	(10.5%)	
Professional Standards					
Character & Fitness (C&F)	52,843	69,800	(16,957)	(24.3%)	Investigation tool was budgeted but not implemented
Client Protection Fund Dept	11,096	17,235	(6,139)	(35.6%)	
Ethics	16,490	17,950	(1,460)	(8.1%)	
Unauthorized Practice of Law (UPL)	16,582	23,750	(7,168)	(30.2%)	Lower public outreach and travel
Lawyer & Judges Assistance Program	25,991	35,600	(9,609)	(27.0%)	Lower travel and training
Salaries	1,080,477	1,071,630	8,847	0.8%	
Professional Standards Total	1,203,479	1,235,965	(32,486)	(2.6%)	
Total Expense	10,569,387	11,213,383	(643,996)	(5.7%)	
Human Resources Detail					
Payroll Taxes	373,578	387,069	(13,491)	(3.5%)	
Benefits	1,459,613	1,536,987	(77,374)	(5.0%)	Vacancies. Staff chose cheaper plan than budgeted. Sharing dental premiums w/staff.
Other Expenses	77,955	69,000	8,955	13.0%	Temporary staff expenses were higher
Total Human Resources	1,911,146	1,993,056	(81,910)	(4.1%)	
Financial Services Detail					
Depreciation	476,985	536,000	(59,015)	(11.0%)	More work in progress than anticipated and cancelled projects
Other Expenses	361,030	348,750	12,280	3.5%	
Total Financial Services	838,015	884,750	(46,735)	(5.3%)	
Salaries					
Executive Offices	1,535,936	1,539,706	(3,770)	(0.2%)	
Finance & Administration	465,276	469,056	(3,780)	(0.8%)	
Member Services & Communications	1,969,730	2,060,000	(90,270)	(4.4%)	
Professional Standards	1,080,477	1,071,630	8,847	0.8%	
Total Salaries Expense	5,051,419	5,140,392	(88,973)	(1.7%)	
NonLabor Summary					
Executive Offices	781,548	802,850	(21,302)	(2.7%)	
Finance & Administration	1,250,714	1,333,125	(82,411)	(6.2%)	
Member Services & Communications	1,529,513	1,848,625	(319,112)	(17.3%)	
Professional Standards	123,002	164,335	(41,333)	(25.2%)	
Total NonLabor Expense	3,684,777	4,148,935	(464,158)	(11.2%)	

State Bar of Michigan
Statement of Revenue, Expense and Net Assets
For the fiscal year ending September 30, 2019
YTD FY 2019 Increase (Decrease) in Net Position Summary

	Actual FY 2019	Budget FY 2019	Variance	Percentage	Last Year Actual FY 2018
Operating Revenue					
- License Fees, Dues & Related	7,750,310	7,743,000	7,310	0.1%	7,732,039
- All Other Op Revenue	1,601,165	1,598,397	2,768	0.2%	1,632,613
Total Operating Revenue	<u>9,351,475</u>	<u>9,341,397</u>	<u>10,078</u>	<u>0.1%</u>	<u>9,364,652</u>
Operating Expenses					
- Labor-related Operating Expenses					
Salaries	5,051,419	5,140,392	(88,973)	(1.7%)	4,819,766
Benefits and PR Taxes	1,833,191	1,924,056	(90,865)	(4.7%)	1,775,841
Total Labor-related Operating Expenses	<u>6,884,610</u>	<u>7,064,448</u>	<u>(179,838)</u>	<u>(2.5%)</u>	<u>6,595,607</u>
- Non-labor Operating Expenses					
Executive Offices	781,548	802,850	(21,302)	(2.7%)	723,555
Finance & Administration	1,246,714	1,333,125	(86,411)	(6.5%)	1,179,734
Member & Communication Services	1,529,513	1,848,625	(319,112)	(17.3%)	1,626,390
Professional Standards	123,002	164,335	(41,333)	(25.2%)	127,795
Total Non-labor Operating Expenses	<u>3,680,777</u>	<u>4,148,935</u>	<u>(468,158)</u>	<u>(11.3%)</u>	<u>3,657,474</u>
Total Operating Expenses	<u>10,565,387</u>	<u>11,213,383</u>	<u>(647,996)</u>	<u>(5.8%)</u>	<u>10,253,081</u>
Operating Income (Loss)	<u>(1,213,912)</u>	<u>(1,871,986)</u>	<u>658,074</u>	<u>N/A</u>	<u>(888,429)</u>
Nonoperating Revenue (Expenses)					
Investment Income	249,731	175,000	74,731	42.7%	179,640
Investment Income - Ret HC Trust	384,630	0	384,630	N/A	202,417
Loss on Disposal	(4,000)	0	(4,000)	N/A	(34,963)
Net Nonoperating revenue (expenses)	<u>630,361</u>	<u>175,000</u>	<u>455,361</u>	<u>260.2%</u>	<u>347,094</u>
Increase (Decrease) in Net Position	<u>(583,551)</u>	<u>(1,696,986)</u>	<u>1,113,435</u>	<u>N/A</u>	<u>(541,335)</u>
Net Position - Beginning the Year	<u>12,800,771</u>	<u>12,800,771</u>	<u>0</u>	<u>0.0%</u>	<u>12,277,875</u>
Other (net)	0	0	0	0.0%	522,896
Net Position - End of Year	<u>\$12,217,220</u>	<u>\$11,103,785</u>	<u>\$1,113,435</u>	<u>10.0%</u>	<u>\$12,800,771</u>

State Bar of Michigan
Administrative Fund
FY 2019 Capital Expenditures vs Budget
For the Fiscal Year Ending September 30, 2019

	YTD Actual	YTD Budget	YTD Variance	Variance Explanations
Building and Equipment				
Electrical panel upgrade	18,976	35,000	(16,024)	Panel only - installation deferred to FY 2020 or FY 2021 (WIP)
Replacement of carpet (2nd, 3rd, 4th)	0	65,000	(65,000)	Will be deferred and used toward additional elevator upgrades
Elevator upgrade	78,876	50,000	28,876	Portion of elevator and make-ready work carried over to FY 2020 (WIP)
Replacement of floor copiers	0	35,000	(35,000)	Not completed - will be deferred to FY 2020
Meeting room technology upgrades	0	25,000	(25,000)	Not needed after evaluation
Information Technology				
e-commerce portal updates	60,475	0	60,475	Unplanned work on e-commerce site - Completed
Windows server OS 2016	0	22,000	(22,000)	Qualified for expense v. capital
Update/redesign Pro Hac Vice site ph 3	10,000	10,000	0	Completed
Web services tool for courts	0	10,000	(10,000)	No longer needed
C&F Board of Law Examiners portal	45,425	45,000	425	Not completed and will be carried over to FY 2020 (WIP)
Firm administration application	0	10,000	(10,000)	Will be deferred to FY 2020
e-service application for court e-filing (e-mail addresses)	0	20,000	(20,000)	Not done in FY 2019
Firm billing/invoices for dues	0	10,000	(10,000)	Will be deferred to FY 2020
Lawyer referral consumer portal	43,950	45,000	(1,050)	Remaining project deferred to FY 2020 (WIP)
LRS Illinois build	4,975	0	4,975	New unbudgeted project - remaining project deferred to FY 2020 (WIP)
Application for soliciting volunteers for committees & work groups phase 2	9,950	10,000	(50)	Completed
Client Protection Fund portal	0	20,000	(20,000)	Will be deferred to FY 2020
Total	\$272,627	\$412,000	(\$139,373)	

**STATE BAR OF MICHIGAN
CLIENT PROTECTION FUND**

Unaudited and For Internal Use Only

**FINANCIAL REPORTS
September 30, 2019**

FY 2019

Note: Dues 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 August 31, 2019 and September 30, 2019
FY 2019

	August 31, 2019	Sept 30, 2019	Increase (Decrease)	%	Beginning of FY 2019 October 1, 2018
Assets					
Cash	242,227	855,120	612,893	253.0%	288,570
Investments (CD's & CDARS)	1,553,412	1,053,412	(500,000)	(32.2%)	1,556,307
Accounts Receivable (Recoveries)	163,156	159,875	(3,281)	(2.0%)	175,001
Due from (to) Administrative Fund	42,790	7,740	(35,050)	(81.9%)	(15,354)
Accrued Interest Receivable	22,057	7,314	(14,743)	(66.8%)	9,610
Total Assets	\$ 2,023,642	\$ 2,083,461	\$ 59,819	3.0%	\$ 2,014,134
Liabilities					
Accounts Payable	0	0	0	N/A	0
Unearned Revenue	58,851	86,670	27,819	47.3%	4,380
Total Liabilities	\$ 58,851	\$ 86,670	\$ 27,819	47.3%	\$ 4,380
Net Position					
Net Position at Beginning of Year	2,009,754	2,009,754	0	0.0%	2,009,754
Increase (Decrease) in Net Position	(44,964)	(12,963)	32,001	N/A	0
Total Net Position	1,964,790	1,996,791	32,001	1.6%	2,009,754
Total Liabilities and Net Position	\$ 2,023,641	\$ 2,083,461	\$ 59,820	3.0%	\$ 2,014,134

* Note: In addition, there are authorized but unpaid claims totaling \$51,225 awaiting signatures of subrogation agreements.

State Bar of Michigan
Client Protection Fund
Statement of Revenue, Expenses, and Changes in Net Assets
For the year ending September 30, 2019
FY 2019

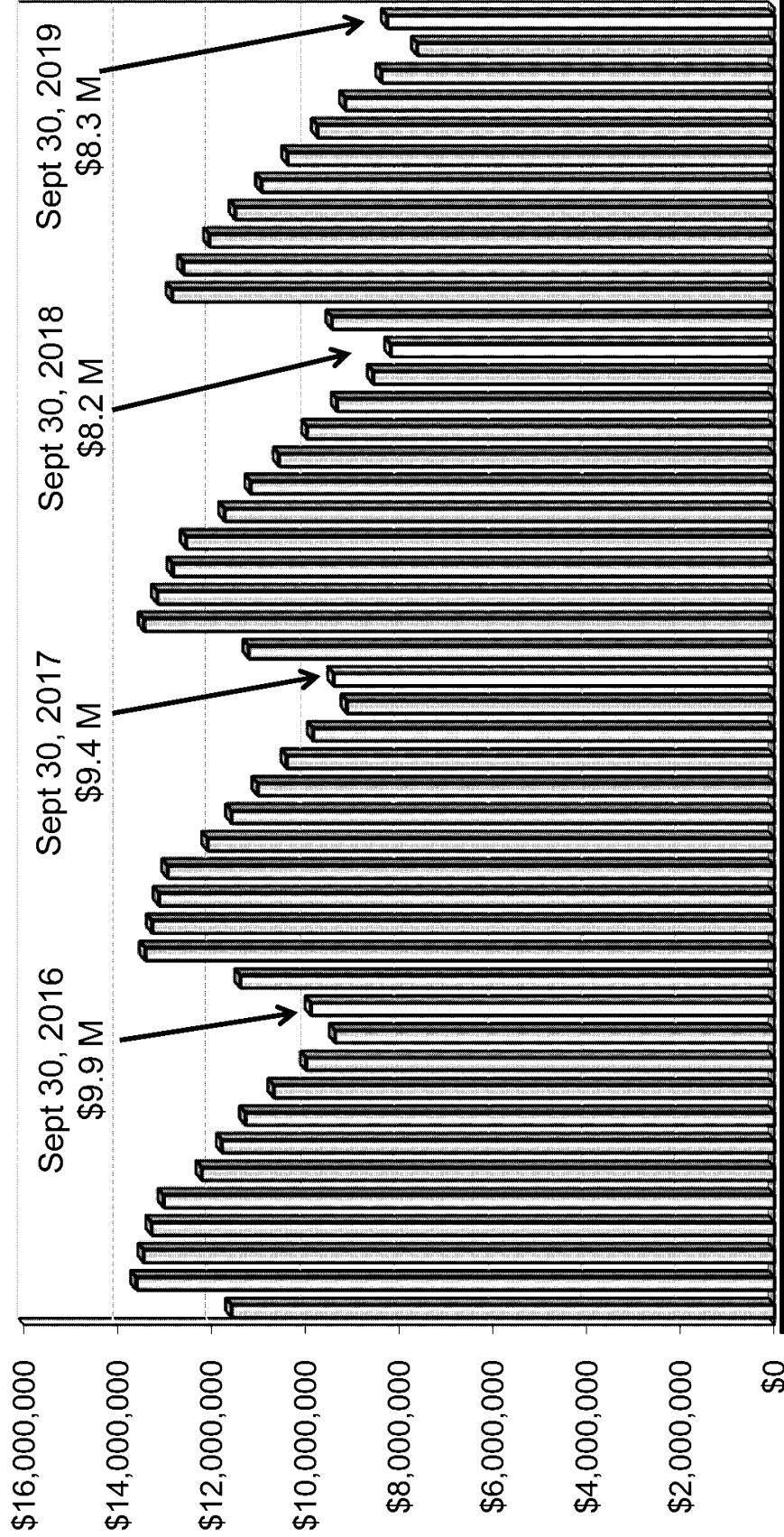
	FY 2019	Last Year FY 2018	
Revenue			
Contributions Received	32,815	18,280	Judicial campaign contributions
Member Fee Assessment	649,286	644,411	
Pro Hac Vice Fees	13,410	11,700	
Claims Recovery	19,045	207,955	Accounting change in FY 2018
Miscellaneous Income	<u>0</u>	<u>0</u>	
Total Revenue	714,556	882,346	
Expense			
Claims Payments *(See note below)	541,410	913,427	Lower claims payments
Administrative Fee	211,833	217,544	
Litigation and Miscellaneous Expense	<u>0</u>	<u>0</u>	
Total Expense	753,243	1,130,971	
Operating Income (Loss)	(38,687)	(248,625)	
Investment Income	25,724	18,797	Better interest rates
Increase (Decrease) in Net Position	<u>(12,963)</u>	<u>(229,828)</u>	
Net Position - Beginning of the Year	<u>2,009,754</u>		
Net Position - End of the Period	<u>1,996,791</u>		

* Note: In addition, there are authorized but unpaid claims totaling \$51,225 awaiting signatures of subrogation agreements.

SBM Cash & Investment Balances

SBM Cash & Investment Balances

Excluding Sections, Client Protection Fund & Retiree Health Care Trust
September 30, 2019 - \$8.3 M



FY 2016 **FY 2017** **FY 2018** **FY 2019**

Note: The State Bar has no bank debt outstanding.

Summary of Cash and Investment Balances by Financial Institution
9/30/2019

Assets	Bank Rating	Financial Institution Summary	Interest Rates	Fund Summary
		SBM Chase Checking \$ 972,417.07		Client Protection Fund \$ 2,408,531.86
		SBM Chase Credit Card \$ 284,328.50		State Bar Admin Fund \$ 10,521,440.32
		SBM Chase E Checking \$ 9,690.00		(including Sections)
		SBM Chase Payroll \$ (251.95)		Attorney Discipline System \$ 3,509,806.48
		SBM Chase Savings \$ 569,039.10	0.18%	SBM Retiree Health Care Trust \$ 3,468,043.82
		ADS Chase Checking \$ 147,929.44		ADB Retiree Health Care Trust \$ 961,656.24
		CPF Chase Checking \$ 102,758.13		AGC Retiree Health Care Trust \$ 3,423,238.66
		CPF Chase Savings \$ 13,399.91	0.18%	Total \$ 24,292,717.38
\$2.14 Trillion	4 stars	Chase Totals \$ 2,099,310.20		
		ADS Bank of America Petty Cash \$ 605.30	0.00%	
	4 stars	Bank of America Totals \$ 605.30		
		SBM Fifth Third Commercial Now \$ 63,624.03	0.00% ***	
\$140 Billion	4 stars	Fifth Thrd Totals \$ 63,624.03		
		Grand River Bank Money Market \$ 11,369.49	1.00%	
\$223 Million	5 stars	Grand River Bank Totals \$ 11,369.49		
		Grand River Bank Total w/CD \$ 509,897.18		
		First Community Bank \$ 13,930.31	1.40%	
\$288 Million	5 stars	First Community Bank Total \$ 13,930.31		
		First Community Bank Total w/CD \$ 258,930.31		
\$2.96 Billion	5 stars	Sterling Bank \$ 2,325.70	0.40%	
		Sterling Bank Total \$ 2,325.70		
		Sterling Bank Total w/CD \$ 977,325.70		
		Citizens Bank Checking \$ 10,000.00		
\$122 Billion	5 stars	Citizens Bank Money Market \$ 27,759.20	2.25%	
		CPF Citizens Bank CD \$ 500,000.00	2.50%	
		Citizens Bank Totals \$ 537,759.20		
\$3.27 Billion	5 stars	Mercantile Bank \$ 15,478.61	1.25%	
		Mercantile Bank Total \$ 15,478.61		
\$227.5 Million	4 stars	Main Street Bank \$ 13,615.92	1.24%	
		Main Street Bank \$ 13,615.92		
\$3.85 Billion	5 stars	MSU Credit Union \$ 8.92	0.10%	
		MSU Credit Union Total \$ 8.92		
		MSU Credit Union Total w/CD \$ 1,900,008.92		
		SBM Flagstar Savings Account \$ 2,065.67	0.91%	
		ADS Flagstar ICS Checking Account \$ 723,783.80	1.60%	
		ADS Flagstar CDARS -26 Week \$ 600,000.00	1.23%	
		ADS Flagstar CDARS -12 Month \$ 810,000.00	1.35%	
		ADS Flagstar CDARS -12 Month \$ 1,000,000.00	1.35%	
		CPF Flagstar Savings \$ 738,961.61	1.07%	
		CPF Flagstar CDARS - 12 Month \$ 250,000.00	1.35%	
		CPF Flagstar CDARS - 24 Month \$ 453,412.21	0.75%	
		CPF Flagstar CDARS - 12 month \$ 350,000.00	1.35%	
\$16.8 Billion	5 stars	Flagstar Bank Totals \$ 4,928,223.29		
\$19.2 Billion	4 stars	SBM - CD Chemical Bank ** \$ 235,000.00	1.75%	
		SBM - CD Chemical Bank \$ 250,000.00	2.40%	
		SBM - CD Chemical Bank \$ 250,000.00	2.40%	
		SBM - CD Chemical Bank \$ 250,000.00	2.40%	
	4 stars	SBM- CD First Community Bank \$ 245,000.00	2.22%	
	4 stars	SBM - Grand River Bank \$ 253,527.69	2.50%	
		SBM - Grand River Bank \$ 245,000.00	2.75%	
\$3.9 Billion	5 stars	SBM-CD Horizon Bank \$ 240,000.00	1.00%	
		SBM-CD Horizon Bank \$ 245,000.00	2.81%	
		SBM-CD Horizon Bank \$ 245,000.00	2.81%	
		SBM-CD Horizon Bank \$ 250,000.00	2.66%	
		SBM-CD Horizon Bank \$ 250,000.00	2.66%	
		SBM-CD Horizon Bank \$ 250,000.00	2.48%	
		SBM-CD Horizon Bank \$ 250,000.00	2.48%	
\$1.36 Billion	4 stars	SBM-CD First National Bank of America \$ 240,000.00	1.60%	
		SBM-CD First National Bank of America \$ 245,000.00	2.60%	
		SBM-CD First National Bank of America \$ 240,000.00	1.85%	
		SBM-CD First National Bank of America \$ 240,000.00	1.85%	
\$184.1 Million	2 stars	SBM-CD Community Shores Bank \$ 240,000.00	1.25%	
\$192.4 Million	5 stars	SBM-CD Clarkston State Bank \$ 240,000.00	1.10%	
	5 stars	SBM-CD Sterling Bank \$ 245,000.00	2.50%	
		SBM-CD Sterling Bank \$ 245,000.00	2.50%	
		SBM-CD Sterling Bank \$ 245,000.00	2.50%	
		SBM-CD Sterling Bank \$ 240,000.00	2.50%	
\$397 Million	4 stars	SBM-CD The Dart Bank \$ 240,000.00	2.42%	
		SBM-CD The Dart Bank \$ 245,000.00	2.42%	
		SBM-CD The Dart Bank \$ 245,000.00	2.42%	
		SBM-CD The Dart Bank \$ 245,000.00	2.42%	
	5 stars	SBM-CD MSU Credit Union \$ 235,000.00	2.05%	
		SBM-CD MSU Credit Union \$ 235,000.00	2.05%	
		SBM-CD MSU Credit Union \$ 235,000.00	2.05%	
		SBM-CD MSU Credit Union \$ 235,000.00	2.05%	
		SBM-CD MSU Credit Union \$ 240,000.00	2.61%	
		SBM-CD MSU Credit Union \$ 240,000.00	2.61%	
		SBM-CD MSU Credit Union \$ 240,000.00	2.61%	
		SBM-CD MSU Credit Union \$ 240,000.00	2.61%	
		Bank CD Totals \$ 8,763,527.69		
		Total Cash & Investments (excluding Schwab) \$ 16,439,778.66		
		SBM - Charles Schwab (Ret HC Trust) \$ 3,468,043.82		Mutual Funds
		ADB - Charles Schwab (Ret HC Trust) \$ 961,656.24		Mutual Funds
		AGC - Charles Schwab (Ret HC Trust) \$ 3,423,238.66		Mutual Funds
		Charles Schwab Totals \$ 7,852,938.72		
		Grand Total (including Schwab) \$ 24,292,717.38		
		Total amount of cash and investments (excluding Schwab) not FDIC insured \$ 8,641,499.59	52.66%	

State Bar Admin Fund Summary

Cash and Investments	\$ 10,521,440.32
Less:	
Due (to)/from Sections	(2,250,517.72)
Due (to)/from CPF	(7,739.85)
Due to Sections and CPF	\$ (2,258,257.57)
Net Administrative Fund	\$ 8,263,182.75

SBM Average Weighted Yield:	1.91%
ADS Average Weighted Yield:	1.25%
CPF Average Weighted Yield:	0.77%

Note: average weighted yields exclude retiree health care trusts

Notes:
- All amounts are based on reconciled book balance and interest rates as of 09/30/2019
- 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 09/30/2019, the funds held by SBM attributable to ADS was \$227,487.94
- Bank Star rating from Bankrate.com unless not available, then it is from Bauer Financial
* Flagstar Bank reserves the right to mature these CDARS at 12 months.
** Formerly Talmer West Bank
*** Lockbox fees are offset by 0.35% (annual rate) on average monthly balance.
**** Actual unreconciled Chase balance per statements was \$1,896,265.41

Monthly SBM Member Report - September 30, 2019
FY 2019

	Current Fiscal Year						FY Increase (Decrease)
	September 30 2013	September 30 2014	September 30 2015	September 30 2016	September 30 2017	September 30 2018	
Attorney Members and Affiliates in Good Standing							
Active	40,475	41,093	41,608	41,921	42,100	42,342	42,506
Less than 50 yrs serv	39,335	40,036	40,480	40,725	40,833	40,873	41,036
50 yrs or greater	1,140	1,057	1,118	1,196	1,267	1,369	1,470
Voluntary Inactive	1,263	1,211	1,218	1,250	1,243	1,169	1,139
Less than 50 yrs serv	1,231	1,184	1,195	1,230	1,217	1,142	1,105
50 yrs or greater	32	27	23	20	26	27	34
Emeritus	1,391	1,552	1,678	1,841	1,973	2,204	2,447
Total Attorneys in Good Standing	43,129	43,856	44,504	45,012	45,316	45,715	46,092
Dues Paying Members (Active & Inactive less than 50 yrs of Serv)	40,566	41,220	41,685	41,955	42,050	42,115	42,141
Affiliates							
Legal Administrators	19	14	13	13	13	10	10
Legal Assistants	433	413	425	405	400	401	393
Total Affiliates in Good Standing	452	427	438	418	413	411	403
Total Attorney Members and Former Members in the Database							
State Bar of Michigan Member Type							
Attorney Members in Good Standing:							
ATA (Active)	40,475	41,093	41,608	41,921	42,100	42,342	42,506
ATVI (Voluntary Inactive)	1,263	1,211	1,218	1,250	1,243	1,169	1,139
ATE (Emeritus)	1,391	1,552	1,678	1,841	1,973	2,204	2,447
Total Members in Good Standing	43,129	43,856	44,504	45,012	45,316	45,715	46,092
Attorney Members Not in Good Standing:							
ATN (Suspended for Non-Payment of Dues)	5,248	5,427	5,578	5,743	5,888	6,072	6,246
ATDS (Discipline Suspension - Active)	400	407	415	418	430	439	440
ATDI (Discipline Suspension - Inactive)	10	12	11	18	19	19	24
ATDC (Discipline Suspension - Non-Payment of Court Costs)	1	1	3	3	16	15	16
ATNS (Discipline Suspension - Non-Payment of Other Costs)	76	83	92	99	94	95	98
ATS (Attorney Suspension - Other)*	1	1	1	1	0	1	1
ATR (Revoked)	519	521	517	534	562	583	596
ATU (Status Unknown - Last known status was inactive)**	2,174	2,088	2,076	2,074	2,070	2,070	2,070
Total Members Not in Good Standing	8,429	8,540	8,693	8,890	9,079	9,294	9,491
Other:							
ATSC (Former special certificate)	134	136	140	145	152	155	157
ATW (Resigned)	1,354	1,429	1,483	1,539	1,612	1,689	1,798
ATX (Deceased)	7,797	8,127	8,445	8,720	9,042	9,287	9,524
Total Other	9,285	9,692	10,068	10,404	10,806	11,131	11,479
Total Attorney Members in Database	60,843	62,088	63,265	64,306	65,201	66,140	67,062

* 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 IMS database. The last known status was inactive and many are likely deceased. We are researching these members to determine a final disposition.

NIR - not reported

Notes: Through September 30, 2019, a total of 922 new members joined the SBM in FY 2019

Financial Safety Margin Calculation - FY 2019

Calculated on November 11, 2019

The Financial Safety Margin ratio is very favorable at 112% (financial capability as a percentage of annual budgeted expenses) as of August 31 for FY 2019, compared to the 33% minimum safety margin required in the policy. See calculation below. The policy that provides the definition for this calculation is attached.

State Bar of Michigan Financial Safety Margin Calculation November 11, 2019

Financial Capability as of August 31, 2019

+ Cash and CDARS/CD investments*	\$ 7,630,721
Based on August 31, 2019 balances	
+ 80% of Market value of the building (estimate)	\$ 5,069,505
Estimated based on last appraisal	
- Debt	0
-Designated amounts	0
Total Financial Capability as of August 31, 2019	\$ 12,700,226

*Includes cash, CDARS and CDs at 100%.
Excludes Retiree Health Care Trust Account

FY 2020 Budgeted Expenses	\$ 11,382,131
----------------------------------	----------------------

Total Financial Capability as a % of Budgeted Expenses	112%
---	-------------

State Bar of Michigan Financial Safety Margin Policy

The financial capability of the State Bar of Michigan's Administrative Fund shall be defined as: a) cash and short term investments (less any amounts due to Sections or the Client Protection Fund), plus b) 80% of long term investments, plus c) available borrowing capacity (80% of the appraised value of the building) less related debt, minus d) any designated amounts (i.e. for retiree health care liability).


The financial capability as defined above shall be targeted to be no less than 33% of annual budgeted expenses in order to assure an adequate financial safety margin.

The financial safety margin will be calculated on August 31 of each year to ensure compliance with the policy. If the actual financial capability is calculated to be less than 33% of the projected budgeted expenses for the following year, the Treasurer shall inform the Board of Commissioners that there is not an adequate financial safety margin, and to consider possible budget adjustments.

Approved in April 2005

November 6, 2019

TO: Board of Commissioners

FROM:  Diane K. Van Aken, Manager
Character & Fitness Department

RE: District Character & Fitness Committee Appointments

I have received nominations for District Committee appointments from the following Commissioner Districts: A, B, C, D, E, F, G, H and I.

Attached are lists that show the nominations of new or reappointed members in the district, the term expiration for all members, and the information we were able to collect regarding the make-up of each committee. Ethnic designations are taken from membership records and reflect the category chosen by the member on their dues statement for the year 2019-2020.

PROPOSED 2020 District Character & Fitness Committee

District A

Commissioner: Suzanne C. Larsen

Commissioner-at-Large: Joseph J. Baumann

Chairperson: Alfred E. Feleppa

<u>Appointment(s)</u>	n/a			
<u>Terminating</u> (Dec. 31, 2019) due to term limits, resignation or relocation outside of district.				
	No Discipline			
<u>Member(s) Requesting Re-appointment</u> (Jan. 2020 – Dec. 2021).	P54906	Feleppa, Alfred E.	Cheboygan	10/31/2019
	No Discipline			
<u>Member(s) Nominated</u> for District Committee appointment (Jan. 2020 – Dec. 2021).	P81511	Stikovich, Amy L.	Petosky	10/31/2019
<u>Chairperson Nominated:</u>	n/a			
	No Discipline			
<u>Mid-Term Member(s)</u> Does not require Commissioner action.	P79099	Cadotte, Courtney E.	Gaylord	10/31/2019
	P31358	Casey, Nan E.	Petoskey	10/31/2019
	P30043	Dedenbach, Marc T.	Grayling	10/31/2019
	P69576	Evans, Brandon J.	Marquette	10/31/2019
	P34150	Hopcroft, Ann V.	Oscoda	10/31/2019
	P30685	Penokie, Kenneth C.	Escanaba	10/31/2019
	P31194	Tacoma, Kenneth C.	Cadillac	10/31/2019

PROPOSED 2020 District Character & Fitness Committee

District B

Commissioner: Bernhardt D. Christenson, III
 Young Lawyers Section, Chair-Elect: Samantha J. Orvis
 Chairperson: Gregory T. Gibbs

Appointment(s)	n/a			
Terminating (Dec. 31, 2019) due to term limits, resignation or relocation outside of district.				
	No Discipline			
Member(s) Requesting	P77000	Hetherington, Richard	Flint	10/31/2019
Re-appointment	P75921	Hoover, Melissa J.	Saginaw	10/31/2019
(Jan. 2020 – Dec. 2021).	P32998	Lawson, L. David	Grand Blanc	10/31/2019
	P71308	Nassar, Alexandra	Flint	10/31/2019
	No Discipline			
Member(s) Nominated	P57729	Carlson, Sandra K.	Flint	10/31/2019
for District Committee appointment	P72652	Selvidge, Lori B.	Sandusky	10/31/2019
(Jan. 2020 – Dec. 2021).				
Chairperson Nomination:	n/a			
	No Discipline			
Mid-Term Member(s)	P72303	Burnash, Heather V.	Flint	10/31/2019
Commissioner action not required.	P76097	Fanous, Elias J.	Flint	10/31/2019
	P26440	Gibbs, Gregory T.	Flint	10/31/2019
	P72061	Poulos, Jonathan C	Flint	10/31/2019
	P74938	Schlusler, Adam J.	Lapeer	10/31/2019
	P81294	Stritmatter, Christopher	Flint	10/31/2019

PROPOSED 2020 District Character & Fitness Committee

District C

Commissioners: Robert J. Buchanan, E. Thomas McCarthy, Jr., Thomas F. Sinas

Chairperson: Hon. George J. Quist

Appointment(s)	P79577	Adams, Zaneta I.		
Terminating (Dec. 31, 2019)	P66018	Biasell, Lavinia S.		
due to term limits,	P72030	Roth, Jonathan C.		
resignation or relocation	P71388	Westra, Julie M.		
outside of district.	P48946	Wierenga, James R.		
				No Discipline
Member(s) Requesting	P49853	Coles, Jennifer H.	Grand Rapids	10/31/2019
Re-appointment	P35699	Fifer, Anne B.	Grand Rapids	10/31/2019
(Jan. 2020 – Dec. 2021).	P74252	Presant, Justin M.	Grand Rapids	10/31/2019
	P43884	Hon. Quist, George J.	Grand Rapids	10/31/2019
	P34473	Wilson, Lawrence W.	Ada	10/31/2019
				No Discipline
Member(s) Nominated	P77779	Buter, Kristen M.	Grand Rapids	10/31/2019
for District Committee	P76649	Joyce, Laura M.	Grand Rapids	10/31/2019
appointment	P64597	Lachman, Blair T.	Grand Rapids	10/31/2019
(Jan. 2020 – Dec. 2021).	P43773	Murray Jr., Thomas P.	Grand Rapids	10/31/2019
	P62665	Tompkins, Matthew	Grand Rapids	10/31/2019
	P60302	Waalkes, Timothy J.	Grand Rapids	10/31/2019
	P78668	Worsfold, Thomas J.	Grand Rapids	10/31/2019
Chairperson Nominated:		n/a		
				No Discipline
Mid-Term Member(s)	P40861	Hastings, Christopher	Grand Rapids	10/31/2019
Does not require	P79258	Hatch, Daniel J.	Grand Rapids	10/31/2019
Commissioner action.	P80766	West, Clay M.	Grand Rapids	10/31/2019

PROPOSED 2020 District Character & Fitness Committee

District D

Commissioner: Dana M. Warnez
 Commissioner-at-Large: Barry R. Powers
 Young Lawyers Section, Chair: Ryan Zemke
 Chairperson: Eric Turnbull

<u>Appointment(s)</u>	P71041	Deldin, Marc A.		
<u>Terminating</u> (Dec. 31, 2019) due to term limits, resignation or relocation outside of district.	P60983	Misukewicz, Paul M.		
	P80514	Riopelle, Sean M.		
	P63092	Sellers, Rebekah		
				No Discipline
<u>Member(s) Requesting Re-appointment</u> (Jan. 2020 – Dec. 2021)	P76029	Khalil, Saima R.	Mt. Clemens	10/31/2019
	P56790	Lundquist, Eric O.	Sterling Heights	10/31/2019
				No Discipline
<u>Member(s) Nominated</u> for District Committee appointment (Jan. 2020 – Dec. 2021)	P65756	Freers, Dana C.	Fraser	10/31/2019
	P79641	Polizzi, Laura	Mt. Clemens	10/31/2019
	P41121	Zahodnic, Lorrie J.	Clinton Twp.	10/31/2019
<u>Chairperson Nomination:</u>	n/a			
				No Discipline
<u>Mid-Term Member(s)</u> Does not require Commissioner action.	P75898	Antovski, Goran	Mt. Clemens	10/31/2019
	P68736	Biernat, Jonathan C.	Mt. Clemens	10/31/2019
	P69749	Hakim, Alyia M.	St. Clair Shores	10/31/2019
	P60300	Hoffmann, Dawn A.	Mt. Clemens	10/31/2019
	P59065	Mason, Gerrow D.	Marysville	10/31/2019
	P73402	Ramdayal, Farrah C.	Clinton Twp.	10/31/2019
	P76382	Turnbull, Eric	Sterling Heights	10/31/2019

PROPOSED 2020 District Character & Fitness Committee

District E

Commissioners: Hon. Clinton Canady, III, Hon. Shauna L. Dunnings

Chairperson: Randall M. Behrmann

Appointment(s)	P53847	Booth, Joshua O.		
Terminating (Dec. 31, 2019)	P65327	Chartier-Mittendorf, Mary		
due to term limits,	P64781	Fahie, Carmen G.		
resignation or relocation	P71191	Patrick, Melissa D.		
outside of district.	P28837	Valade, Alan M.		
	P75397	Weber, Travis W.		
				No Discipline
Member(s) Requesting	P22954	Castillo, John R.	Williamston	10/31/2019
Re-appointment	P57245	Cheltenham, Michael S.	Lansing	10/31/2019
(Jan. 2020 – Dec. 2021).	P41709	Joppich, Richard J.	Okemos	10/31/2019
	P69632	Kunath, David J.	Okemos	10/31/2019
	P74077	Landon, Jeffrey T.	Lansing	10/31/2019
	P75357	Mesadieu, Sterlin	Okemos	10/31/2019
	P31113	Oemke, Kathleen M.	Howell	10/31/2019
				No Discipline
Member(s) Nominated	P78391	Crawford, L. Alisyn	Lansing	10/31/2019
for District Committee	P56161	Cusson, Danielle N.	Howell	10/31/2019
appointment	P81043	Easterly, Robert A.	Lansing	10/31/2019
(Jan. 2020 – Dec. 2021).	P81040	Jefferson, Emily A.	Lansing	10/31/2019
Chairperson Nomination:		n/a		
				No Discipline
Mid-Term Member(s)	P54381	Behrmann, Randall M.	Lansing	10/31/2019
Does not require	P75913	Bennett, Katherine J.	Lansing	10/31/2019
Commissioner action.	P72601	Blanchard, Joshua A.	Greenville	10/31/2019
	P77807	Buck, Ryan J.	Lansing	10/31/2019
	P72188	Derrossett, Alexis I.	Lansing	10/31/2019
	P60431	Francart, Kevin L.	Lansing	10/31/2019
	P61042	Gray, Tina S.	Williamston	10/31/2019
	P74131	Kemm, Jeffrey S.	Lansing	10/31/2019
	P52688	Kronzek, Charles M.	Lansing	10/31/2019
	P41710	Lain, Landis Y.	Lansing	10/31/2019
	P39731	Manville, Daniel E.	East Lansing	10/31/2019
	P72136	Matusko, Nicole R.	Lansing	10/31/2019
	P70103	Novak, Joseph A.	Ionia	10/31/2019
	P73305	Service, Stephanie M.	Lansing	10/31/2019
	P42569	Thomsen, Michael W.	Eaton Rapids	10/31/2019

PROPOSED 2020 District Character & Fitness Committee

District F

Commissioner: Danielle Mason Anderson

Chairperson: Kristen L. Getting

Appointment(s)	P70362	Bruch, Marlo D.		
Terminating (Dec. 31, 2019)	P40658	Clark, Robert		
due to term limits,	P37390	DeGraw, David J.		
resignation or relocation	P28556	Ehrenberg, Robert J.		
outside of district.	P40407	Kitzmiller, Jennifer J.		
	P55300	Markou, Colleen M.		
				No Discipline
Member(s) Requesting				
Re-appointment				
(Jan. 2020 – Dec. 2021).	P52978	Bieberich, Kent A.	Battle Creek	10/31/2019
				No Discipline
Member(s) Nominated	P71458	Hartman, Sarah J.	Kalamazoo	10/31/2019
for District Committee	P36700	Russell, Gregory W.	Kalamazoo	10/31/2019
appointment	P82315	Swinehart, Kimberly L.	Kalamazoo	10/31/2019
(Jan. 2020 – Dec. 2021).				
Chairperson Nominated:	n/a			
				No Discipline
Mid-Term Member(s)	P63149	Ambrose, Katherine	Battle Creek	10/31/2019
Does not require	P30408	Bingen, Michael C.	Kalamazoo	10/31/2019
Commissioner action.	P53658	Getting, Kristen L.	Battle Creek	10/31/2019
	P34466	Lucas, David	Battle Creek	10/31/2019
	P47477	McMahon, Brian P.	St. Joseph	10/31/2019
	P79495	Nofsinger, Luke D.	Three Rivers	10/31/2019
	P41161	Price, Darrell L.	Battle Creek	10/31/2019
	P69385	Reed, Timothy	Sturgis	10/31/2019
	P66004	Senica, Sara A.	Niles	10/31/2019

PROPOSED 2020 District Character & Fitness Committee

District G

Commissioner: Erane C. Washington

Chairperson: U. Ashwin Patel

<u>Appointment(s)</u>	P74370	Ammons, Jeffrey E.		
<u>Terminating</u> (Dec. 31, 2019) due to term limits, resignation or relocation outside of district.	P58969	Hatlem, Blake S.		
	P55903	Reach, Cynthia L.		

No Discipline

<u>Member(s) Requesting Re-appointment</u> (Jan. 2020 – Dec. 2021).	P53930	Jackson, Angela L.	Ann Arbor	10/31/2019
	P55863	Kent, Thomas L.	Ann Arbor	10/31/2019
	P73731	Phillips, Ryan L.	Jackson	10/31/2019
	P64681	Quinn, Terrence G.	Ann Arbor	10/31/2019

No Discipline

<u>Member(s) Nominated</u> for District Committee appointment (Jan. 2020 – Dec. 2021).	P54111	Gaines, S. Joy	Ann Arbor	10/31/2019
	P71456	Janovic, Elizabeth V.	Ann Arbor	10/31/2019
	P40021	Piotrowski, Thomas S.	Ypsilanti	10/31/2019

<u>Chairperson Nominated:</u>	n/a			
--------------------------------------	-----	--	--	--

No Discipline

<u>Mid-Term Member(s)</u> Does not require Commissioner action.	P46365	Patel, U. Ashwin, Chair	Ann Arbor	10/31/2019
	P37634	Shea, John A.	Ann Arbor	10/31/2019

PROPOSED 2020 District Character & Fitness Committee

District H

Commissioners: Erika L. Butler, James W. Heath, Joseph P. McGill,
Hon. David A. Perkins, Gregory L. Ulrich

Commissioner-at-Large: Valerie R. Newman, Mark Wisniewski

Representative Assembly: Aaron V. Burrell, Vice Chair

Chairperson: Charise L. Anderson

<u>Appointment(s)</u>	P33074	Clark, Jeffrey R.		
<u>Terminating</u> (Dec. 31, 2019) due to term limits, resignation or relocation outside of district.	P58801	Martin, Lisa M.		
	P74101	Phillips, Daniel J.		
	P65638	Prokopec, Dawn M.		
	P68114	Ramsey-Heath, Malaika		
	P52922	Southerland-Stricker, Susan		
	P68990	Uhl, Joseph W.		
	P71349	Watson, Maya K.		
No Discipline				
<u>Member(s) Requesting Re-appointment</u> (Jan. 2020 – Dec. 2021).	P51641	Adams, Jean-Vierre T.	Detroit	10/31/2019
	P71738	Anderson, Charise L.	Detroit	10/31/2019
	P75744	Archie, Brooke L.	Detroit	10/31/2019
	P80567	Bentley, Jennifer L.	Detroit	10/31/2019
	P40935	Cessante, Connie M.	Detroit	10/31/2019
	P69652	Doeh, Eric W.	Detroit	10/31/2019
	P68544	Lindsey, Sarah C.	Detroit	10/31/2019
	P63506	Mason Lee, Claire R.	Detroit	10/31/2019
	P61087	Moughni, Majed A.	Dearborn	10/31/2019
	P73350	Paterra, Jordan D.	Detroit	10/31/2019
No Discipline				
<u>Member(s) Nominated</u> for District Committee appointment (Jan. 2020 – Dec. 2021).	P71041	Deldin, Marc A	Grosse Pte Farms	10/31/2019
	P58969	Hatlem, Blake S.	Detroit	10/31/2019
	P68477	Jones, RuSondra G.	Detroit	10/31/2019
	P73381	Murkowski, Robert E.	Detroit	10/31/2019
	P81032	Mussin, Jeffrey M.	Livonia	10/31/2019
	P80514	Riopelle, Sean M.	Southfield	10/31/2019
	P63092	Sellers, Rebekah L.	Detroit	10/31/2019
	P73951	Short, Meghan K.	Detroit	10/31/2019
	P43737	Wisniewski, Mark A.	Detroit	10/31/2019

PROPOSED 2020 District Character & Fitness Committee

District H - Continued

Chairperson Nominated:

n/a

<u>Mid-Term Member(s)</u>				No Discipline
Does not require Commissioner action.	P72268	Anderson, Jenae S.	Detroit	10/31/2019
	P68844	Branch, Nikkiya T.	Detroit	10/31/2019
	P57892	Eadie, Jonathan B.	Grosse Pte Farms	10/31/2019
	P31804	Guerriero, Timothy M.	Northville	10/31/2019
	P76838	Jarnagin, M. Ryan	Detroit	10/31/2019
	P66430	Johnson, Felicia O.	Detroit	10/31/2019
	P17557	McSorley, John E.	Grosse Pte Park	10/31/2019
	P49527	Nolen, Gabriela N.	Erie	10/31/2019
	P68248	Thomas, Felicia M.	Detroit	10/31/2019
	P27732	Ulrich, Gregory L.	Grosse Pte Woods	10/31/2019
P55526	Witucki, Stephanie A.	Detroit	10/31/2019	

PROPOSED 2020 District Character & Fitness Committee

District I

Commissioners: David C. Anderson, Lisa J. Hamameh, Thomas H. Howlet, Sarah E. Kuchon,
James W. Low, Daniel D. Quick

Commissioner-at-Large: Josephine A. DeLorenzo

Representative Assembly, Clerk: Chelsea Megan Rebeck

Chairperson: Linda K. Kisabeth

Appointment(s)	P65936	Berman, Ryan L.
Terminating (Dec. 31, 2019)	P37508	Brennan, James P.
due to term limits,	P76526	Crawford, Jerome
resignation or relocation	P66793	Donnini, George B.
outside of district.	P70628	Esser, Lisa M.
	P58801	Martin, Lisa M.
	P47213	Metzger, Kathleen
	P71241	Noonan, Mary A.
	P24921	Padilla, Gerald V.
	P71957	Plecha, Ryan C.
	P42282	Rooney, Scott W.
	P19948	Schaefer, John F.

				No Discipline
Member(s) Requesting	P37060	Ben-Ze'ev, Ilana	Huntington Wds	10/31/2019
Re-appointment	P65404	Blum, Stephanie C.	Southfield	10/31/2019
(Jan. 2020 – Dec. 2021).	P63068	Eyre, Douglas W.	Auburn Hills	10/31/2019
	P14655	Haron, David L.	Farmington Hills	10/31/2019
	P30215	Harris, Stephen J.	Bloomfield Hills	10/31/2019
	P77566	Kossaras, Deanna J.	Novi	10/31/2019
	P45664	McNeely, Christopher	Rochester Hills	10/31/2019
	P38939	Meihn, G. Michael	Ferndale	10/31/2019
	P74394	Orlewicz, Victoria	Oak Park	10/31/2019
	P76462	Trueman, Grace K.	Bloomfield Hills	10/31/2019
	P47001	Warr, James C.	Southfield	10/31/2019
	P76675	Warren, Emily	Farmington Hills	10/31/2019
	P68870	Woodson, Danien C.	Southfield	10/31/2019

PROPOSED 2020 District Character & Fitness Committee

District I - Continued

<u>Member(s) Nominated</u> for District Committee appointment (Jan. 2020 – Dec. 2021).				No Discipline
	P68592	Cotant, Julie H.	Southfield	10/31/2019
	P54384	Dabaja, S. Jenna	Franklin	10/31/2019
	P66118	Ford, Corene C.	Northville	10/31/2019
	P42772	Halushka, Lisa K.	Auburn Hills	10/31/2019
	P76396	Hoard, Jeffrey A.	Oak Park	10/31/2019
	P61831	Kuchon, Sarah E.	Troy	10/31/2019
	P69730	LaBeau, Matthew S.	Southfield	10/31/2019
	P77179	Smith, Brande N.	Farmington Hills	10/31/2019
	P68990	Uhl, Joseph W.	Madison Heights	10/31/2019

Chairperson Nominated: n/a

<u>Mid-Term Member(s)</u> Does not require Commissioner action.				No Discipline
	P53481	Dworin, Jeffrey Z	Bloomfield Hills	10/31/2019
	P79129	Eagles, David J.	Farmington Hills	10/31/2019
	P29652	Gershel, Alan M.	W Bloomfield	10/31/2019
	P64159	Heath, Charisse L.	Farmington Hills	10/31/2019
	P55440	Henderson, Jennifer	Southfield	10/31/2019
	P53907	Kisabeth, Linda K.	Auburn Hills	10/31/2019
	P63110	Low, James W.	Southfield	10/31/2019
	P65673	McKenney, Stephen	Birmingham	10/31/2019
	P72015	Pearce, Melissa M.	Milford	10/31/2019
	P70757	Petz, Scott A.	Troy	10/31/2019
	P74476	Renner, Jason M.	Clinton Twp	10/31/2019
	P55679	Rhoads, Kerry L.	Southfield	10/31/2019
	P75202	Ruggirello, Michelle	Farmington Hills	10/31/2019
	P78839	Sholander, Lynn B.	Oak Park	10/31/2019
	P33356	Webb, L. Rodger	Southfield	10/31/2019

**Demographics for all Proposed Character & Fitness District Committees
as of January 1, 2020**

Years of SBM M'ship	All Districts									
	Districts	District A	District B	District C	District D	District E	District F	District G	District H	District I
≤5 yrs	9.2%	22.2%	8.3%	13.3%	8.3%	7.7%	15.4%	0.0%	10.0%	5.4%
≤10 yrs	20.2%	0.0%	33.3%	26.7%	33.3%	26.9%	0.0%	11.1%	16.7%	21.6%
≤15 yrs	19.0%	11.1%	33.3%	0.0%	25.0%	19.2%	15.4%	11.1%	30.0%	16.2%
≤20 yrs	12.9%	0.0%	8.3%	20.0%	16.7%	7.7%	15.4%	11.1%	10.0%	18.9%
≥21 yrs	38.7%	66.7%	16.7%	40.0%	16.7%	38.5%	53.8%	66.7%	33.3%	37.8%
Self Reported Gender	All Districts									
	Districts	District A	District B	District C	District D	District E	District F	District G	District H	District I
Male	54.6%	66.7%	58.3%	73.3%	41.7%	61.5%	61.5%	55.6%	46.7%	45.9%
Female	45.4%	33.3%	41.7%	26.7%	58.3%	38.5%	38.5%	44.4%	53.3%	54.1%
Self Reported Ethnicity	All Districts									
	Districts	District A	District B	District C	District D	District E	District F	District G	District H	District I
No Answer	29.4%	44.4%	16.7%	20.0%	50.0%	26.9%	30.8%	33.3%	23.3%	32.4%
Am Indian	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asian/ Pacific Islander	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.1%	0.0%	0.0%
African	8.6%	0.0%	0.0%	0.0%	0.0%	15.4%	0.0%	11.1%	26.7%	2.7%
European	53.4%	44.4%	58.3%	73.3%	41.7%	46.2%	69.2%	44.4%	43.3%	59.5%
Hispanic / Latino	0.6%	0.0%	0.0%	0.0%	0.0%	3.8%	0.0%	0.0%	0.0%	0.0%
Multi Racial	0.6%	0.0%	0.0%	0.0%	0.0%	3.8%	0.0%	0.0%	0.0%	0.0%
Arab Origin	1.8%	0.0%	16.7%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	0.0%
Other Ethnicity	4.3%	11.1%	8.3%	6.7%	8.3%	0.0%	0.0%	0.0%	3.3%	5.4%
Prefer Not to Answer	0.6%	0.0%	0.0%	0.0%	0.0%	3.8%	0.0%	0.0%	0.0%	0.0%

TO: Board of Commissioners
FROM: Professional Standards Committee
DATE: November 22, 2019, 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 3308	\$5,000.00
2.	CPF 3470	\$150,000.00
3.	CPF 3477	\$4,000.00
4.	CPF 3481	\$3,528.00
5.	CPF 3525	\$550.00
6.	CPF 3529	\$975.00
7.	CPF 3542	\$600.00
8.	CPF 3550	\$5,262.00
9.	CPF 3552	\$750.00
10.	CPF 3593	\$1,185.00
11.	CPF 3605	\$13,000.00
	Total	\$184,850.00

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 3308 \$5,000.00

Claimant entered into a Joint Venture Agreement with Respondent's client and remitted \$5,000 in earnest money to be held in Respondent's trust account. Respondent misappropriated the funds. Respondent's failure to return the funds of \$5,000 constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C) and 11(B) and is recommended for payment in that amount.

2. CPF 3470 \$150,000.00

Respondent, while acting as Personal Representative and Trustee, misappropriated \$164,145.56 from the Estate and Trust. The ADB revoked Respondent's license to practice law and ordered payment of \$164,145.56 in restitution to the beneficiaries of the Estate and Trust. The Trust's loss is determined to be \$164,145.56. However, consistent with the maximum allowable payable to any claimant because of the dishonesty of a single lawyer under CPF Rule 12(B) as well as the provisions of CPF Rules 9(C)(1) and 11(B), this claim is recommended for reimbursement payable to the Trust for \$150,000

3. CPF 3477 \$4,000.00

Claimant retained Respondent to assist in resolving issues related to the enforcement of a purchase agreement for an advanced, flat fee of \$4,000. After completing a partial complaint, Respondent unexpectedly passed away. The failure of Respondent, Respondent's law firm, or Respondent's estate to return the advanced, unearned flat fee that should have been held in the firm's lawyer trust account until the conclusion of the representation as required by MRPC 1.15 constitutes dishonest conduct and is a reimbursable loss of \$4,000 recommended for payment in that amount under CPF Rules 9(C)(1) and 9(C)(6).

4. CPF 3481 \$3,528.00

Claimant retained Respondent for representation in an immigration matter and paid an advanced, unearned flat fee of \$3,528. Respondent passed away before completing the legal services. The failure of Respondent, Respondent's law firm, or Respondent's estate to return the advanced, unearned flat fee that should have been held in the firm's lawyer trust account until the conclusion of the representation as required by MRPC 1.15 constitutes dishonest conduct and is a reimbursable loss of \$3,528 recommended for payment in that amount under CPF Rules 9(C)(1) and 9(C)(6).

5. CPF 3525 \$550.00

Claimant retained Respondent to file a bankruptcy petition for a flat fee of \$750 and paid an advanced, unearned amount of \$550 toward the total flat fee. Respondent did not file the petition before he passed away. The failure of Respondent, Respondent's law firm, or Respondent's estate to return the advanced, unearned flat fee of \$550 that should have been held in the firm's lawyer trust account until the conclusion of the representation as required by MRPC 1.15 constitutes dishonest conduct and is a reimbursable loss of \$500 recommended for payment in that amount as provided by CPF Rules 9(C)(1) and 9(D)(6).

6. CPF 3529 \$975.00

Claimant retained Respondent to file a trademark application and paid an unearned, partial amount of \$975 toward the agreed upon total flat fee of \$1,325. Respondent passed away before filing the trademark application. The failure of Respondent, Respondent's law firm, or Respondent's estate to return the advanced, unearned partial fee of \$975 that should have been held in the firm's lawyer trust account until the conclusion of the representation as required by MRPC 1.15 constitutes dishonest

conduct and is a reimbursable loss and is recommended for payment in that amount as provided by CPF Rules 9(C)(1) and 9(D)(6).

7. CPF 3542 \$600.00

Claimant retained Respondent for representation in a bankruptcy matter for a flat fee of \$650, of which Claimant paid an advanced, unearned partial payment of \$600. Respondent passed away before completing any legal services. The failure of Respondent, Respondent's law firm, or Respondent's estate to return the advanced, unearned partial fee of \$600 that should have been held in the firm's lawyer trust account until the conclusion of the representation as required by MRPC 1.15 constitutes dishonest conduct and is a reimbursable loss and is recommended for payment in that amount as provided by CPF Rules 9(C)(1), 9(D)(6), and 11(B).

8. CPF 3550 \$5,262.00

Claimant retained Respondent's firm for a Social Security matter, which was finalized. After the matter concluded, Claimant filed paperwork with the Social Security Administration (SSA) and obtained benefits for the children. The SSA accidentally sent a payment of \$5,262.60 in representative fees to Respondent's firm. Respondent was made aware that the \$5,262.60 belonging to Claimant were directly deposited into Respondent's business account but Respondent did not return the unearned fee before his passing or ensure that the funds were available for return. Respondent's failure to return the unearned fee of \$5,262.60 constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C)(1) and 9(C)(6).

9. CPF 3552 \$750.00

Claimant retained Respondent for representation in a bankruptcy matter and paid an unearned, advanced flat fee of \$750. Respondent did not complete any legal services before passing away. The failure of Respondent, Respondent's law firm, or Respondent's estate to return the advanced, unearned fee of \$750 that should have been held in the firm's lawyer trust account until the conclusion of the representation as required by MRPC 1.15 constitutes dishonest conduct and is a reimbursable loss and is recommended for payment in that amount as provided by CPF Rules 9(C)(1) and 9(D)(6).

10. CPF 3593 \$1,185.00

Claimant retained Respondent in a bankruptcy matter. Claimant paid an unearned, advanced flat fee of \$885 and advanced costs of \$335. Respondent did not file a bankruptcy petition on behalf of Claimant. Although neither Claimant nor Respondent have documentation of the fee, Respondent admits that Claimant is owed a refund. The failure of Respondent, Respondent's law firm, or Respondent's estate to return the unearned, advanced flat fee of \$885 and advanced, unspent costs of \$335 that should have been held in the firm's lawyer trust account until the conclusion of the representation to until the costs were incurred as required by MRPC 1.15 constitutes dishonest conduct and is a reimbursable loss and is recommended for payment in that amount constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C)(1), 9(D)(6), and 11(B).

Approval of this claim requires the application of CPF Rule 9(F) to waive the one-year filing deadline under CPF Rule 9(B) as there is no evidence that Claimant was notified of the existence of the Fund and waiver of the proof of payment requirement as Respondent admits he was retained and does not dispute the amount of he reimbursement claimed by Claimant.

11. CPF 3605 \$13,000.00

Respondent represented Claimant in an annuity matter under a one-third contingency fee agreement. The matter was settled for \$36,249.61, with Claimant being entitled to \$24,249.61. Claimant received

\$5,000, leaving an undistributed balance due of approximately \$19,249.61. The funds were deposited into the firm business account, where they were stolen by a non-attorney. Respondent stipulated to the entry of an admonishment and agreed to refund \$18,000 to Claimant. Respondent has paid \$5,000 thus far. Respondent's failure to safeguard the settlement funds leading to their misappropriation constitutes dishonest conduct and a reimbursable loss provided by CPF Rules 9(C)(1) and 11(B).

Additionally, it is recommended that CPF staff be granted permission to adjust the amount payable to reflect any additional restitution payments received by Claimant before the Fund receiving an executed subrogation agreement and issuing a check, without further review.

Total payments recommended: \$184,850.00



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

The Committee on Model Criminal Jury Instructions solicits comment on the following proposal by February 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.

PROPOSED

The Committee proposes amending procedural and composite instructions M Crim JI 2.26, 3.1, and 3.6 to include cautionary information concerning “implicit bias” similar to those adopted July 2019 by the Committee on Model Civil Jury Instructions in M Civ JI 1.01, 2.06 and 3.02.

[AMENDED] M Crim JI 2.26 Maintaining an Open Mind

It is important for you to keep an open mind and not make a decision about anything in the case until you go to the jury room to decide the case.

You must not let bias, prejudice, or public opinion influence your decision. Each of us may have biases or perceptions about other people based on stereotypes. We may be aware of some of our biases, though we do not express them. We may not be fully aware of some of our other biases. Take the time you need to test what might be automatic or instinctive judgments and to reflect carefully about the evidence. I caution you again to avoid reaching conclusions that may have been unintentionally influenced by stereotypes. You must reach your own conclusions about this case individually, but you should do so only after listening to and considering the opinions of the other jurors, who may have different backgrounds and perspectives from yours.

[AMENDED] M Crim JI 3.1 Duties of Judge and Jury

(1) Members of the jury, the evidence and arguments in this case are finished, and I will now instruct you on the law. That is, I will explain the law that applies to this case.

(2) Remember that you have taken an oath to return a true and just verdict, based only on the evidence and my instructions on the law. You must not let sympathy, bias, or prejudice influence your decision. You must avoid reaching conclusions that may have been unintentionally influenced by stereotypes. You must reach your own conclusions about this case individually, but you should do so only after listening to and considering the opinions of the other jurors, who may have different backgrounds and perspectives from yours.

(3) As jurors, you must decide what the facts of this case are. This is your job, and nobody else's. You must think about all the evidence and then decide what each piece of evidence means and how important you think it is. This includes whether you believe what each of the witnesses said. What you decide about any fact in this case is final.

(4) It is my duty to instruct you on the law. You must take the law as I give it to you. If a lawyer says something different about the law, follow what I say. At various times, I have already given you some instructions about the law. You must take all my instructions together as the law you are to follow. You should not pay attention to some instructions and ignore others.

(5) To sum up, it is your job to decide what the facts of the case are, to apply the law as I give it to you, and, in that way, to decide the case.

Use Note

This instruction should be given in every case. On notice to the parties, the court, in its discretion, may give the final jury instructions to the jury before the parties make closing arguments.

[AMENDED] M Crim JI 3.6 Witnesses—Credibility

(1) As I said before, it is your job to decide what the facts of this case are. You must decide which witnesses you believe and how important you think their testimony is. You do not have to accept or reject everything a witness said. You are free to believe all, none, or part of any person’s testimony.

(2) In deciding which testimony you believe, you should rely on your own common sense and everyday experience. However, in deciding whether you believe a witness’s testimony, you must set aside any bias or prejudice you may have ~~based on the race, gender, or national origin of the witness.*~~ and not be influenced by a witness’s disability, gender, race, religion, ethnicity, sexual orientation, age, national origin, or socioeconomic status. Again, take the time you need to test what might be automatic or instinctive judgments, and to reflect carefully about the evidence.¹

(3) There is no fixed set of rules for judging whether you believe a witness, but it may help you to think about these questions:

(a) Was the witness able to see or hear clearly? How long was the witness watching or listening? Was anything else going on that might have distracted the witness?

(b) Did the witness seem to have a good memory?

(c) How did the witness look and act while testifying? Did the witness seem to be making an honest effort to tell the truth, or did the witness seem to evade the questions or argue with the lawyers?

(d) Does the witness’s age and maturity affect how you judge his or her testimony?

(e) Does the witness have any bias, prejudice, or personal interest in how this case is decided?

[(f) Have there been any promises, threats, suggestions, or other influences that affected how the witness testified?]²

(g) In general, does the witness have any special reason to tell the truth, or any special reason to lie?

(h) All in all, how reasonable does the witness’s testimony seem when you think about all the other evidence in the case?

(4) Sometimes the testimony of different witnesses will not agree, and you must decide which testimony you accept. You should think about whether the disagreement involves something important or not, and whether you think someone is lying or is simply mistaken. People see and hear things differently, and witnesses may testify honestly but simply be wrong about what they thought they saw or remembered. It is also a good idea to think about which testimony agrees best with the other evidence in the case.

(5) However, you may conclude that a witness deliberately lied about something that is important to how you decide the case. If so, you may choose not to accept anything that witness said. On the other hand, if you think the witness lied about some things but told the truth about others, you may simply accept the part you think is true and ignore the rest.

Use Note

This instruction should be given in every case.

* 1. The court should substitute other improper considerations, ~~such as religion or sexual orientation,~~ where appropriate.

2. ~~This instruction should be given in every case.~~ The bracketed portions should be given only on request, where there is evidence or argument that a witness's testimony may have been affected by promises, threats, suggestions, or other influences.

Public Policy Position
Model Criminal Jury Instructions 2.26, 3.1, and 3.6

Explanation

The committee voted unanimously (16) to support the model criminal jury instructions with an addition of “gender identity” to the list of categories as found in M Crim JI 3.6(2) regarding witness credibility.

....and not be influenced by a witness’s disability, gender, **gender identity**, race, religion, ethnicity, sexual orientation, age, national origin, or socioeconomic status.

Position Vote:

Voted For position: 16

Voted against position: 0

Abstained from vote: 0

Did not vote (absent): 5

Contact Persons:

Mark A. Holsomback mahols@kalcouny.com

Sofia V. Nelson snelson@sado.org



MEMORANDUM

To: SBM Board of Commissioners

From: Darin Day
SBM Director of Outreach

Date: November 4, 2019

Re: Proposed Section Bylaws Amendments:
APPELLATE PRACTICE 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 **Appellate Practice 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
APPELLATE PRACTICE SECTION
OF THE STATE BAR OF MICHIGAN
November 2019**

Formatted: Centered

**ARTICLE I
NAME AND PURPOSES**

SECTION 1.1. NAME. The Section shall be known as the Appellate Practice Section (the Section) of the State Bar of Michigan.

SECTION 1.2. PURPOSES. The purpose of the Appellate Practice Section is to promote the skillful, efficient and effective practice of appellate law. The Section, through research and study, will develop, report upon, recommend and distribute: 1) information to aid appellate practitioners in improving advocacy skills; 2) policies and procedures for the efficient and effective operation of an appellate practice; and 3) policies and procedures to advance the productive and competent operation of the appellate courts. The goal of these activities is to advance the administration of justice in the appellate courts so that the Bench and Bar may better serve the public interest.

The Section will promote the legal education of members of the Bar and the public concerning appellate law practice by publishing a newsletter; by sponsoring and conducting seminars, institutes and conferences; by appointing special committees to research and study specific appellate law practice issues and problems confronting the Bench and Bar; and by preparing, sponsoring and publishing legal writings which are devoted to the improvement of the practice of appellate law in this State.

**ARTICLE II
SECTION MEMBERSHIP**

SECTION 2.1. QUALIFICATIONS. Membership shall be limited to members of the State Bar of Michigan who are in good standing, including Law Students and Affiliate Members. The Chief Clerk of the Michigan Court of Appeals may also become a member of the Section.

SECTION 2.2. MEMBERSHIP DUES. Membership dues shall be established by the Council subject to approval by the Board of Commissioners and shall be payable in advance. The Council may set lower annual membership dues for Law Student and Affiliate Members than it sets for the rest of the membership. Any member of the Section whose annual dues shall be more than six (6) months past due shall automatically cease to be a member of the Section.

SECTION 2.3. NEW MEMBERS. Newly admitted members of the State Bar of Michigan, upon written request, shall become members of the Section for the balance of the fiscal year in which application is made, without payment of dues to the Section, if such written request is made during the first year of membership in the State Bar of Michigan.

SECTION 2.4. LAW STUDENTS AND AFFILIATE MEMBERS. Members of the Law Student Section and the Affiliate Member Section of the State Bar of Michigan may become nonvoting members of the Section upon payment of annual dues.

ARTICLE III OFFICERS AND COUNCIL

SECTION 3.1. OFFICERS. The Officers of the Section shall be Chairperson, Chairperson Elect, Secretary and Treasurer. All officers must be members of the Section.

SECTION 3.2. COUNCIL. There shall be a Council of the Section consisting of the Chairperson, Chairperson-Elect, Secretary and Treasurer, together with seventeen (17) at-large members to be elected. All Council members must be members of the Section. In addition, the Council shall include past Chairpersons of the Section who shall remain voting members of the Council for a period of three (3) years after the end of their term of office as Chairperson.

The terms of office of the members of the Council shall be such that 1/3 of the elected members of the Council will have their terms end in each year.

At the first Annual Meeting after the effective date of the amendment of the bylaws to increase the at-large members of the council to seventeen (17), the election of Council members shall be such that the total number of elected at-large members of the Council shall be seventeen (17). The terms of the newly elected members at this meeting shall be set so that a total of six (6) at-large council members will have terms ending the first year, six (6) ending the second year, and five (5) ending the third year. To determine the terms of the newly elected members of the Council at this meeting, three-year terms shall go to the persons receiving the highest number of votes, two-year terms to the persons receiving the next highest number of votes, and one-year terms to the persons elected but receiving the lowest number of votes, computed in such a manner that the terms of the at-large council members will expire as directed in this paragraph.

SECTION 3.3. SELECTION OF OFFICERS. The Officers shall be nominated and elected at each annual meeting of the Section, to hold office for a term beginning at the close of the annual meeting at which they have been elected, and ending at the close of the next succeeding annual meeting of the Section.

SECTION 3.4. SELECTION OF COUNCIL. As the terms of the Council members expire, Section members shall be elected at each annual meeting of the Section to serve on the Council for terms of three (3) years. All terms shall begin at the close of the annual meeting and end at the close of the designated following annual meeting.

SECTION 3.5. NOMINATING COMMITTEE. Prior to each annual meeting of the Section, the Chairperson shall appoint a Nominating Committee consisting of the Chairperson and two (2) other members of the Council. The Committee shall accept, make and report nominations to the Section for the officer and Council positions for which terms expire at the close of the next annual meeting,

and to fill vacancies then existing for then existing unexpired Council terms. The Committee shall notify, in a manner it determines is reasonable, the Section members of the officer and Council positions for which terms will be expiring. The notice shall be made four (4) months prior to the annual meeting. It shall inform members that they may submit nominations for such officer and Council position and indicate the deadline for receiving nominations in order for the nominations to be included in the Nomination Report, which the Committee will be submitting to the Council. The notice shall also state that nominations may be made from the floor at the annual meeting. The Committee shall submit to the Council its Nomination Report two (2) months prior to the annual meeting.

SECTION 3.6 ELECTIONS. All elections shall be by written ballot unless otherwise ordered by resolution duly adopted by the Section at the annual meeting at which the election is held. Members may submit written ballots by mail. Voting by proxy shall not be permitted.

ARTICLE IV DUTIES OF OFFICERS

SECTION 4.1. 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. The Chairperson shall perform such other duties and acts as usually pertain to the office. The Chairperson shall preside at all meetings of the Section and of the Council. The Chairperson shall provide such reports as required by the State Bar of Michigan. The Chairperson shall perform such other duties and acts as usually pertain to the office.~~

SECTION 4.2. CHAIRPERSON ELECT. The Chairperson Elect shall aid and assist the Chairperson in the performance of the Chairperson's responsibilities to such an extent as the Chairperson may request. The Chairperson Elect shall be responsible for seminars, institutes and conferences sponsored or conducted by the Section or Committees of the Section and may delegate duties, as he or she deems appropriate to assist in the performance of this responsibility. Upon the death, resignation, or during the disability of the Chairperson, or upon his or her refusal to act, the Chairperson Elect shall perform the duties of the Chairperson for the remainder of the Chairperson's term except in the case of the Chairperson's disability--and then only during so much of the term as the disability continues. The Chairperson Elect shall accede to the office of Chairperson upon the expiration of the Chairperson's term.

SECTION 4.3. SECRETARY. The Secretary shall be custodian of all books, reports, papers, documents and other property of the Section. He or she shall keep a true record of the proceedings of all meetings of the Section and of the Council, whether assembled or acting under submission. With the Chairperson, he or she shall prepare the Section's Annual Report. The Secretary, in

conjunction with the Chairperson, as authorized by the Council, shall attend generally to the business of the Section.

SECTION 4.4. TREASURER. The Treasurer shall keep a true record of all monies received and disbursed and shall report thereon to the Council whenever requested. Annually, he or she shall submit a financial report for presentation to the membership of the Section. Consistent with the Bylaws of the State Bar of Michigan, he or she shall be responsible for forwarding all monies of the Section which come into his or her hands to the bookkeeping department at the State Bar headquarters in Lansing for deposit and credit to the account of the Section. Further, unless waived on a meeting-by-meeting basis by vote of the Council, the Treasurer shall present a current financial report at each meeting of the Council.

ARTICLE V DUTIES AND POWERS OF THE COUNCIL

SECTION 5.1. PRIMARY DUTIES AND POWERS. The Council shall have general supervision and control of the affairs of the Section, subject to the provisions of the Bylaws of the Section. It shall specifically authorize all commitments or contracts, which shall entail the payment of money, and shall authorize the expenditure of all monies appropriated for the use or benefit of the Section. It shall not, however, without prior approval of the State Bar Board of Commissioners, authorize commitments or contracts which shall entail the payment of more money during any fiscal year than the total of: (a) the amount received in Section dues for such fiscal year; and (b) any funds remaining in the Section treasury from prior years.

SECTION 5.2. COMMITTEES. The Council may authorize the Chairperson to appoint and discontinue committees consisting of Section members to perform such duties and exercise such powers as the Council may direct, subject to the limitations of these Bylaws and Bylaws of the State Bar of Michigan. The Chairperson shall appoint the Chairperson and members of such Committees and may, or on direction of the Council shall, remove any Chairperson or members from such Committees and fill any vacancies on such Committees created from time to time. Two (2) months prior to the annual meeting, the Chair of each Committee shall submit a written report to the Council of Committee activities during the preceding year.

SECTION 5.3. VACANCIES. The Council, during the interim between annual meetings of the Section, may fill vacancies in its own membership or in the offices of Secretary and Treasurer. In the event of a vacancy in the office of Chairperson-Elect before the expiration of the term, the Secretary shall succeed to the office of Chairperson-Elect. If the Secretary is unable or declines to serve as Chairperson-Elect, the Treasurer will succeed to the office of Chairperson-Elect. In the event of both a vacancy in the office of Chairperson and the inability to fill the office of Chairperson, members of the Council and officers so appointed shall serve until the close of the next annual meeting of the Section. At that meeting the vacancies shall be filled for the remainder of their respective terms by a special election conducted concurrently with the regular elections, as provided

in Article 3 herein. However, if an elected Chairperson-Elect fills an unexpired term of the Chairperson, the Chairperson-Elect may serve as Chairperson for the succeeding term.

SECTION 5.4. REGULAR MEETING. Regular meetings of the Council shall be held at times and locations to be determined by the Chairperson, and the schedule of regular meetings for each fiscal year shall be published in advance at each annual meeting of the Section. The Council shall hold one (1) regular meeting concurrently with the Annual Meeting of the State Bar of Michigan. Regular meetings may be conducted by conference call.

SECTION 5.5. SPECIAL MEETINGS. Special meetings of the Council may be called by the Chairperson or a majority of the voting members of the Council at such times and places as either may determine. These special meetings may be conducted by conference call or on the Council's listserv. If the Chairperson calls a special meeting to be conducted on the Council's listserv, the Chairperson shall specify the purpose of the special meeting and the hour and date that the special meeting will close. Up until the time that a listserv special meeting closes, a Council member may change his or her vote. If the Chairperson knows that some Council members do not regularly participate on the listserv, the Chairperson shall inform those members of the listserv special meeting. If a special meeting is conducted on the listserv, at the next regular Council meeting, the Chairperson shall report the results of any vote taken, and the result shall be noted in the minutes of the regular meeting.

SECTION 5.6. QUORUM. Twelve (12) voting members of the Council shall constitute a quorum on both regular and special meetings of the Council. Members may attend regular and special meetings in person or by telephonic or electronic means.

SECTION 5.7. CONTROLLING VOTE. The Council shall act pursuant to a majority of those present at regular and special meetings of the Council and the Chairperson, or Chairperson-Elect presiding in the Chairperson's absence, may vote only to break a tie. For action to be adopted pursuant to a special listserv meeting, the action must be supported by the vote of at least 12 council members.

SECTION 5.8. FAILURE TO ATTEND MEETINGS. If any Council or Committee member fails to attend two (2) consecutive Council or Committee meetings without an excused absence, or fails to attend three (3) consecutive Council or Committee meetings for any reason, such failure shall constitute an automatic, irrevocable notice of resignation, which shall be voted on at the next Council meeting. If the Council, by a majority vote, accepts the resignation, the Council may then fill the vacancy in accordance with Section 5.3 of this Article.

ARTICLE VI COMMITTEES

SECTION 6.1. STANDING COMMITTEES. The initial Standing Committees of the Section shall be Michigan Court Practice, Federal Court Practice, Court Liaison/Rules Comment and Publications. The Council of the Section may create or dissolve Standing Committees and may change the stated purpose of Standing Committees.

SECTION 6.2. COMMITTEE APPOINTMENT. The Council will appoint the Chairperson and members of Standing Committees from Section members to perform such duties and exercise such power as the Council may direct. The Council may remove any Committee Chairperson or member for cause, and fill vacancies created by such removal or by resignation.

SECTION 6.3. COMMITTEE MEETINGS. The Committee meetings will be called as necessary by the Section or Committee Chairpersons. Committee members may attend meetings in person, or by telephonic or electronic means.

SECTION 6.4. REPORTS. The Chairperson of each Committee shall submit a written report of Committee activities during the preceding year of the Council. This annual report is due two months prior to the annual meeting of the Section.

SECTION 6.5. MICHIGAN COURT PRACTICE. The Michigan Court Practice Committee shall monitor and report on developments of law and practice methods relating to all phases of Michigan appellate practice and procedure. This Committee will also coordinate with other Section Committees and may, with the approval of the Council, solicit articles for publication, develop and sponsor seminars and produce publications of interest.

SECTION 6.6. FEDERAL COURT PRACTICE. The Federal Court Practice Committee shall monitor and report on developments of law and practice methods relating to all phases of Federal appellate practice and procedure. This Committee will also coordinate with other Section Committees and may, with the approval of the Council, solicit articles for publication, develop and sponsor seminars, and produce publications of interest.

SECTION 6.7. COURT LIAISON/RULES COMMENT. The Court Liaison/Rules Comment Committee shall foster liaison and cooperation between this Section and the appellate courts to ensure consistent improvement in appellate practice and in the administration of justice. This Committee shall also monitor and review statutes and court rules as well as proposed changes to statutes and court rules. The Committee shall make periodic recommendations to the Council that the Section either request statutory/court rule changes or adopt a position regarding proposed changes to statutes/court rules which affect members of the Section. This Committee will also coordinate with other Section Committees and may, with the approval of the Council, disseminate news and opinions regarding the appellate courts, legislation, court rules or related matters.

SECTION 6.8. PUBLICATIONS. The Publications Committee shall arrange for publication of a Section newsletter, which shall be published no less than once per year, for the purpose of providing information about Section activities, disseminating articles and other information of interest to

Section members and providing a public forum for Section members. The Publications Committee will also coordinate with other Section Committees and with the Council and may, with the approval of the Council, solicit articles for publication, develop and sponsor seminars, develop and sponsor education programs for lawyers or law students and produce publications of interest.

ARTICLE VII MEETINGS

SECTION 7.1. ANNUAL MEETING. ~~The annual meeting of the Section shall be held during and at the same place as the Annual Meeting of the State Bar of Michigan and shall include such programs and order of business as may be arranged by the Council. The annual meeting of the Section shall be held at a time and venue to be determined by the Council and shall include such programs and business as determined and arranged by the Council.~~

SECTION 7.2. SPECIAL MEETING. Special meetings of the Section may be called by the Chairperson or by a majority of the voting members of the Council at such times and locations as either may determine.

SECTION 7.3. CONTROLLING VOTE. All actions of the Section, other than the amendment of the Bylaws, shall be taken pursuant to a majority vote of the members present at a meeting of the Section.

ARTICLE VIII AMENDMENTS

SECTION 8.1. PROCEDURES. Amendments to these bylaws may be submitted as follows:

- (A) By a vote of the majority of the Council, at a regular or special meeting prior to the annual meeting of the Section at which it is to be addressed. If the Council proposes such an amendment, the complete and accurate text of the amendment, and a statement of the basis of the proposal, shall be published in the Michigan Bar Journal or Section newsletter at least 30 days prior to the annual meeting of the Section at which the amendment is to be considered.
- (B) By a petition signed by at least ten (10) members of the Section. Such a petition shall be considered by the Council at a regular or special meeting prior to the annual meeting of the Section at which it is to be addressed. The Council shall prepare recommendations on the amendment, and those recommendations, together with the complete and accurate text of the amendment, shall be published in the Michigan Bar Journal or Section newsletter at least 30 days prior to the annual meeting of the Section at which the amendment is to be considered.

SECTION 8.2. AMENDMENTS. These Bylaws may be amended at any annual meeting of the Section by a two-thirds (2/3) vote of the members of the Section physically present and voting, provided that any such proposed amendment shall first have been submitted for its recommendation

to the Council; and provided further that no amendment so adopted shall become effective until approved by the Board of Commissioners of the State Bar of Michigan.

**ARTICLE IX
MISCELLANEOUS PROVISIONS**

SECTION 9.1. FISCAL YEAR. The fiscal year of the Section shall be the same as that of the State Bar of Michigan.

SECTION 9.2. DEBTS. All debts incurred by the Section, before being forwarded to the Treasurer or to the Executive Director of the State Bar of Michigan for payment, shall first be approved by the Chairperson or the Treasurer of the Section, or if the Council so directs, by both of them.

SECTION 9.3. COMPENSATION. No salary or compensation of any kind shall be paid to any officer, Council or Committee member.

SECTION 9.4. APPROVAL. Public statements of a Section or Council position shall be governed by Article IX of the Bylaws of the State Bar of Michigan.

SECTION 9.5. EFFECTIVE DATE. These Bylaws shall become effective immediately upon their adoption by the Section and approval by the Board of Commissioners of the State Bar of Michigan.

Created 1995
Approved 6/95
Revised 11/98
Revised 9/14/01
Revised 07/27/12
Revised 11/22/2019

State Bar of Michigan Annual Meeting 2019 Event Summary

Name of Event: Annual Meeting
Date(s) of Event: September 25-27, 2019
Location of Event: Suburban Collection Showplace, Novi, MI

Total number of attendees at event:	2019	2018	2017	2016	2015
	<u>Novi</u>	<u>GR</u>	<u>Cobo</u>	<u>GR</u>	<u>Novi</u>
	689	1412	1652	1302	1314

Attendance for Inaugural & Awards Luncheon: 331

History:	<u>2019</u>	<u>2018</u>	<u>2017</u>
Inaugural Luncheon	N/A	271	272
Awards Banquet	N/A	291	220
Combined Luncheon Event	331	N/A	N/A

Evaluation Summary

This year’s annual meeting was scaled back significantly from previous Annual Meetings and did not include any section meetings, education sessions, or receptions. On Wednesday the Board of Commissioners met and the president hosted a hospitality reception; then on Thursday the Representative Assembly meeting was held.

Also held Thursday was the first Inaugural & Awards luncheon, which combined the swearing-in activities from the traditional Inaugural Luncheons as well as the award presentations traditionally given at the Wednesday night Awards Banquet.

Although some attendees missed the conference-style annual meeting and vendor hall, most attendees rated the meeting above average to excellent. They loved the new Inaugural & Awards Luncheon format and were amazed at how efficiently it ran, appreciating how the video acceptance speeches helped move things along smoothly.

Budgeted Revenue:		Actual Revenue:	
Sponsors	\$4,000		\$6,000.00
Event Tickets	<u>\$13,500</u>		<u>\$20,246.00</u>
Total Budgeted Revenue:	\$17,500	Total Actual Revenue:	\$26,246.00
Budgeted Expense:	\$64,502	Actual Expense:	\$57,660.31

Net Cost:

2019 Novi	\$31,414.31
2018 GR	\$72,318.35
2017 Cobo	\$99,342.02
2016 GR	\$71,000.00*
2015 Novi	\$49,808.03*
2014 GR	\$69,101.53
2013 Lansing	\$3,634.84

*Based on approximate numbers at the end of event each year. Both 2015 and 2016 Annual Meetings were budgeted in the 2015-2016 fiscal year. The total net costs for both those events combined was \$120,808.03.

State Bar of Michigan 2019 50-Year Golden Celebration Luncheon Event Summary

Name of Event: 50-Year Golden Celebration Luncheon
Date(s) of Event: September 27, 2019
Location of Event: Suburban Collection Showplace, Novi, MI

Total number of attendees:	2019	2018	2017
	<u>Novi</u>	<u>GR</u>	<u>Cobo</u>
50-Yr Honoree	128	112	77
Guests	206		
Commissioners	13		
Staff	11		
Past Presidents	3		
Total	361	270	226

Evaluation Summary

The 2019 50-Year Golden Celebration was held in conjunction with the revamped Annual Meeting at the Suburban Collection Showplace in Novi, MI. This year’s event had the highest number of honorees attending since at least 2003, and probably ever.

The luncheon was rated excellently by the majority of members even though it became somewhat chaotic during the recognition of honorees. This sentiment from an attendee sums up much of the feedback received: “The only comment for improvement would be the handing of the 50-year pins themselves. The process of having the emcee walk around to every table was time consuming, a bit distracting, and people lost focus.... Otherwise, I thought the luncheon was excellent and very appreciated.”

Still, honorees loved the opportunity to network with friends, colleagues, and law school buddies they had not seen in many years. The Forum Shoppers, our traditional barbershop quartet, were excellent—the best they’ve been in recent years, and several attendees remarked favorably on the speeches given by Young Lawyers Section Chair Kara Hart-Negrich and new President Dennis Barnes.

With so many attendees the room was somewhat crowded but also felt vibrant and full of excitement. Honorees were provided with a networking game; however, most did their own networking with the people they met by chance.

SBM

STATE BAR OF MICHIGAN

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

www.michbar.org