

President Keefe called the meeting to order at 9:30 a.m. on Friday, November 16, 2007 at the Michael Franck Building in Lansing.

Commissioners present:

Lori A. Buiteweg
Beverly Hall Burns
Laura A. Chappelle
B. D. "Chris" Christenson
John J. Conway
Margaret A. Costello
Bruce A. Courtade
Richard L. Cunningham
Brian D. Einhorn
James N. Erhart
Robert K. Fergan
Julie I. Fershtman, Treasurer
Robert C. Gardella

W. Anthony Jenkins, Secretary
Elizabeth Moehe Johnson
Katherine Kakish
Ronald D. Keefe, President
Donald E. McGinnis, Jr.
Hon. William B. Murphy
Lambro Niforos
Edward H. Pappas, President-Elect
Thomas C. Rombach
Kurt E. Schnelz
Charles R. Toy, Vice-President
Gregory L. Ulrich

Commissioners Francine Cullari, Elias J. Escobedo, Jr., Kiffi Y. Ford, Eric J. Pelton, Michael J. Riordan, Julie A. Sullivan, and Laurin' C. Roberts Thomas, were absent and excused.

State Bar Staff Present:

Janet K. Welch, Executive Director
Marge Bossenbery, Executive Coordinator
Kari Brandel, Manager, Member Services and Events
Nancy Brown, Director, Member Services and Communications
Gregory Conyers, Acting Director, Pro Bono Initiative
Candace Crowley, Manager, External Development
Dawn Evans, Director, Professional Standards
Cliff Flood, General Counsel
James Horsch, Director, Finance and Administration
Will Kramer, Director, Information Technology Services
Victoria Kremski, Deputy Director, Professional Standards
Elizabeth Lyon, Director, Governmental Relations
Naseem Stecker, Manager, Media and Communications Division
Anne Vrooman, Director, Research and Development

Guests

Lynn Chard, Executive Director, ICLE
Linda Rexer, Executive Director, Michigan State Bar Foundation

Consent Agenda

Minutes

The Board received the minutes from the following meetings:

The September 26, 2007 Board of Commissioners meetings
The September 25, 2007 Executive Committee meeting
The October 16, 2007 Executive Committee meeting
The October 29, 2007 Executive Committee meeting

President's Report, Ronald D. Keefe, President

The Board received a written report on the President's recent activities.

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

The Board received a written report on the Executive Director's recent activities.

Finance, Julie I. Fershtman, Chairperson

The Board received the preliminary financial reports through September 30, 2007 and the financial safety margin calculation.

Professional Standards, W. Anthony Jenkins, Chairperson

The Board received the Client Protection Fund Claims report.

Membership Services and Communications, Charles Toy, Chairperson

The Board received the Thomas M. Cooley Inns of Court bar recognition request.

Proposed Section Bylaw Amendments

The Board received proposed bylaw amendments from the Computer Law, International Law and Legal Assistants sections.

A motion was offered, supported, and carried, to approve the consent agenda as amended. Amendments include indicating that Commissioner Pappas was present at the second Board meeting on September 26 while Commissioner Kirkey was not, and to changing the titles of Commissioners Gardella and Kakish on the Executive Committee minutes of September 25, October 16 and 29.

Strategic Plan Update

Ms. Welch provided the Board with an update of the State Bar of Michigan's Strategic Plan.

Demographics Report

Ms. Vrooman provided the Board with a demographic overview of the members of the State Bar of Michigan.

COMMISSIONER COMMITTEES

Finance, Julie I. Fershtman, Chairperson

Ms. Fershtman provided the Board with a Financial Update and asked Mr. Horsh to discuss the status of the FY 2007 SBM budget.

Ms. Fershtman and Mr. Horsch explained the implementation of a unanimous decision of the Executive Committee to adopt the following investment strategy, based upon a recommendation of the Finance Committee: 1) liquidate the mutual funds in the Schwab portfolio and put them in a money market fund, and 2) engage an investment consultant to assist the SBM in creating a new investment policy and portfolio that takes guidance from the requirements of PA 20. Ms. Fershtman indicated that although this type of decision would typically be put before the entire Board of Commissioners, the Executive Committee felt that the SBM needed to move expeditiously given market volatility.

Ms. Fershtman provided the Board with an update on the Retiree Health Care Liability issue.

Audit, Julie I. Fershtman, Chairperson

Ms. Fershtman reported that President Keefe appointed Commissioners Buiteweg, Niforos, and Ulrich and Roshunda Price to the Audit Committee. Ms. Fershtman will serve as the chair and Mr. Horsch will be the SBM liaison. The committee will be responsible for reviewing the audit that was prepared by Plante Moran and will interview potential auditing firms and make a recommendation to the entire Board for their approval a firm to act as the SBM auditor for the next three years.

Professional Standards, W. Anthony Jenkins, Chairperson

Mr. Jenkins reviewed with the Board the candidates recommended to the Board for the District Character and Fitness Committee Appointments. He referred to Tab XII A where the list of names and districts appear. With the exception of a nominee from District E, John Schlinker, whose nomination was deferred, a motion was offered and supported to adopt the recommendations of the Professional Standards committee, contingent upon review of pending or past formal disciplinary action. Motion adopted.

Mr. Jenkins reported that the committee will provide a recommendation on Client Protection Fund Rule Change - Rule 9(C)(4) at a later date.

Programs and Services, Charles R. Toy, Chairperson

Mr. Toy referred the Board to Tab XIII, Event Summary of the SBM 72nd Annual Meeting, ICLE Solo & Small Firm Institute. Ms. Brandel reviewed the information included in the summary.

Public Policy, Image and Identity, Edward H. Pappas, Chairperson

Legislation

SB 786, Small Claims Suits

Support in principle a modest increase based on inflation, calculated prospectively from the date the legislation takes effect, with an annual inflationary increase to be rounded and published once a year
Motion offered and supported. Motion adopted.

HB 4260, DNA Evidence

Support in Principle

Motion offered and supported. Motion adopted.

HB 4650, Civil Procedure

Support in Principle

Motion offered and supported. Motion adopted.

Court Rules

Proposed Amendment of Rule 7.215 of the Michigan Court Rules

Motion offered and supported. Motion adopted.

Justice Initiatives Report

The Board received a report from co-chair of the Justice Initiatives, Hon. Cynthia Diane Stephens

LEADERSHIP REPORTS

President's Report, Ronald D. Keefe, President

President Keefe directed the Board's attention to a Calendar of Events at each place, to provide guidance on topics expected to be addressed at future meetings.

President Keefe reported that he would like to appoint a Senior Lawyers Section Planning Group that would explore and make recommendations about the role of the senior lawyer and how senior lawyers can assist the SBM. This committee would be similar to the Young Lawyers Section in that the SBM would fund this committee and no fees would be charged. President Keefe asked for volunteers to serve and then appointed Commissioners Buiteweg, Einhorn, Fergan, and Ulrich to the committee. Ms. Crowley and Ms. Vrooman will act as SBM liaison to this committee and a report will be prepared for the January 18 Board meeting.

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

Ms. Welch reported that the Access to Justice Fund received a Cy Pres Award in the amount of \$635,000.

Ms. Welch reported that the Grace v Leitman case was settled by the Michigan Supreme Court and that the Court supported the position we advocated. Ms. Welch thanked the individuals from Mr. Einhorn's firm for all of the work they provided in the case.

Ms. Welch indicated that the oral argument in the Khoury case has been scheduled for either December 4 or 5.

Ms. Welch reported that a silent demonstration in support of the Pakistani lawyers who were jailed for demonstrating their support of the rule of law took place in front of the federal building in Lansing on Wednesday, concurrent with similar demonstrations throughout the country, including before the U.S. Supreme Court building. She described the procedure used to determine whether to participate in the demonstration, and noted that an important consideration was that the demonstration provided a potent "teaching moment" about the role of lawyers in preserving the rule of law in a constitutional system.

Ms. Welch indicated that the SBM has been approached by the Attorney General's office to participate in discussions about the foreclosure crisis in Michigan.

Representative Assembly Report, Robert C. Gardella, Chairperson

Mr. Gardella provided the Board with an overview of the April 12, 2008 meeting.

Mr. Gardella indicated that there will be a directory of RA members online that will have the members contact information, area of practice, and a photo if one has been provided.

Mr. Gardella indicated that Chief Justice Taylor is planning to meet with the RA officers in January and will address the members of the RA at the April meeting.

American Bar Association (ABA) Report, W. Anthony Jenkins, State Delegate

Mr. Jenkins reported that the ABA Mid-year meeting is taking place in February in Los Angeles and that he will circulate the agenda once it is developed.

Young Lawyers Section Report, Robert K. Fergan, Chairperson

Mr. Fergan provided the Board with a report on the Young Lawyers Section activities.

Comments or questions from Commissioners

There was none.

Comments or questions from the public

The Board entered in to an Executive Session at 1:20 p.m.

Adjournment

The Board went into open session at 1:40 p.m. and the meeting was adjourned.