



Board of Commissioners

Agenda and Materials

September 19, 2025

**STATE BAR OF MICHIGAN
BOARD OF COMMISSIONERS
Friday, September 19, 2025 – 9:00 a.m.
DETROIT MARRIOTT TROY – DENNISON ROOM
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

1. Call to Order.....Joseph P. McGill, President

CONSENT AGENDA

2. **Minutes**
A. July 25, 2025 Board of Commissioners meeting*
B. May 22, 2025 Executive Committee meeting*
3. **President’s Activities**.....Joseph P. McGill, President
A. Recent Activities*
4. **Executive Director’s Activities**.....Peter Cunningham, Executive Director
A. Recent Activities*
5. **Public Policy**..... Lisa J. Hamameh, Chairperson
A. Model Jury Instructions*
6. **Finance and Audit** Thomas H. Howlett, Chairperson
A. FY 2025 Financial Reports through July 2025*

LEADERSHIP REPORTS

7. **President’s and Executive Director’s Report**Joseph P. McGill, President
Peter Cunningham, Executive Director
- A. Recommended appointments to Institute of Continuing Legal Education Executive Committee (ICLE) and Michigan Indian Legal Services Board of Trustees (MILS)*
B. Michigan Supreme Court Commissions Updates
C. Non-Licensing Fee Revenue
D. Staff Introduction

8. **Representative Assembly Report** John W. Reiser, III, Chairperson
A. Calendar for September 19, 2025 meeting *
- 9.. **Young Lawyers Section Report** Silvia A. Mansoor, Chairperson

COMMISSIONER COMMITTEES

10. **Public Policy**..... Lisa J. Hamameh, Chairperson
A. Court Rule**
11. **Strategic Planning and Engagement**Erika L. Bryant, Chairperson
A. Partner Program
a. Smokeball*
12. **Finance and Audit** Thomas H. Howlett, Chairperson
A. Financial Report
13. **Professional Standards** David C. Anderson, Chairperson

COMMISSIONER RECOGNITION

14. **Recognition of Outgoing Board Members**.....Joseph P. McGill, President
A. Tanya N. Cripps-Serra written by Jacob Eccleston and presented by Silvia A. Mansoor
B. John W. Reiser III written and presented by Nicole A. Evans
15. **Recognition of President Joseph P. McGill**Lisa J. Hamameh, President-Elect

FOR THE GOOD OF THE PUBLIC AND THE PROFESSION

16. **Comments or questions from Commissioners**
17. **Public Comment**
Any member of the public who wishes to address commissioners during public comment must sign up to speak before 9:00 a.m. on the date of the meeting using the “Public Comment Sign Up” sheet available in the Dennison Room.
18. **Adjournment**

*Materials included with the agenda.

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

STATE BAR OF MICHIGAN BOARD OF COMMISSIONERS MEETING MINUTES

President McGill called the meeting to order at 9:41 a.m. on Friday, July 25, 2025, in the Boardroom at the Michael Franck building in Lansing, Michigan.

Commissioners present:

David C. Anderson, Secretary
Erika L. Bryant, Vice President
Aaron V. Burrell
Hon. B. Chris Christenson
Alena Clark
Ponce D. Clay
Tanya N. Cripps-Serra
Patrick J. Crowley
Sherree L. Detzler
Robert A. Easterly
Jacob G. Eccleston
Nicole A. Evans
Lisa J. Hamameh, President-Elect
Claudnyse D. Holloman
Thomas H. Howlett, Treasurer
Elizabeth A. Kitchen-Troop
Suzanne C. Larsen

Joshua A. Lerner
James L. Liggins, Jr.
James W. Low
Ashley E. Lowe
Elizabeth L. Luckenbach
Silvia A. Mansoor
Gerard V. Mantese
Gerrow D. “Gerry” Mason
Joseph P. McGill, President
Thomas P. Murray, III
Takura N. Nyamfukudza
Nicholas M. Ohanesian
John W. Reiser III
Douglas B. Shapiro
Hon. Kristen D. Simmons
Danielle Walton

Commissioners absent:

Hon. David A. Perkins

Consent Agenda

The Board received the minutes from the June 13, 2025, Board meeting.
The Board received the recent activities of the president.
The Board received the recent activities of the executive director.
The Board received the FY 2025 financial reports through May 2025.
The Board received Client Protection Fund claims.
The Board received Unauthorized Practice of Law claims.

President McGill asked if any items needed to be removed from the consent agenda. There were none.

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

Election of Officers

President McGill informed the Board that three candidates submitted their names for consideration for the position of secretary for the 2025-2026 Board of Commissioners: Commissioners Larsen, Low, and Mason. President McGill asked if there were any nominations from the floor; hearing none, a motion was made to close the nominations. The motion was seconded, and the motion passed.

President McGill appointed Commissioners Clay, Detzler, and Nyamfukudza to serve as tellers.

Commissioners Larsen, Low, and Mason addressed the board per policy. Following the five-minute presentation by each candidate, President McGill opened the floor for questions for the candidates.

Upon completion of the question-and-answer session, President McGill asked for a motion that the vote be by secret written ballot and that the voting be announced and recorded as to the winner only, without the vote total and that the vote total will be known only to him, the tellers, and to any candidate who requests it. The motion was made, seconded, and passed. Ballots were distributed.

President McGill announced that President-elect Hamameh would succeed him as president of the State Bar of Michigan for the 2025-2026 bar year.

President McGill announced that Vice President Bryant would succeed President-elect Hamameh as president-elect of the State Bar of Michigan for the 2025-2026 bar year.

President McGill asked for a motion to nominate Treasurer Howlett as vice president of the State Bar of Michigan for the 2025-2026 bar year. President-elect Hamameh made a motion, a vote was taken and passed unanimously.

President McGill asked if there is a motion to nominate Secretary Anderson as treasurer of the State Bar of Michigan for the 2025-2026 bar year. Treasurer Howlett made a motion, a vote was taken and passed unanimously.

President McGill announced that Commissioner Larsen was elected as secretary of the State Bar of Michigan for the 2025-2026 bar year.

A motion was offered and supported to destroy the ballots of the election. The motion passed.

Discussions: Challenges & Opportunities for the Profession and Justice System

Update from the Alternative Funding for Trial Courts Workgroup

Tom Boyd, State Court Administrator

Mr. Boyd provided an overview of the history trial court funding in Michigan and gave a high-level presentation of a new funding model recommended by the Trial Court Funding Commission, including the anticipated timeline for the next steps of the project. He also answered questions from the Commissioners. A report on the workgroup's recommendations will be released within the next several days.

Licensed Paralegal Pilot Program

Janet K. Welch, Consultant, State Court Administrative Office

Brian G. Wagoner, Court Analyst, State Court Administrative Office

Emilie Tarsin, Councils and Commissions Manager, State Court Administrative Office

Ms. Welch, Mr. Wagoner, and Ms. Tarsin reported on the Supreme Court's Steering Committee for a Proposed Paralegal Licensure Pilot Program. The workgroup, formed from a Justice For All Commission recommendation, is expected to submit proposals by year-end, including State Bar participation in regulation. Commissioners discussed scope, process, and timing, and provided feedback for consideration.

President and Executive Director's Report: Joe McGill, President and Peter Cunningham, Executive Director.

President McGill shared with the Board that he has spent the past several months attending many meetings and events of sections, affinity bars, and geographical bar associations. He reported that sections and bar associations are doing well, post-Covid, with meetings and events that are well-attended and vibrant. In addition, President McGill reported that he has received overwhelmingly positive feedback at those events about the work that is being done by the State Bar of Michigan including support for the statement on the Rule of Law that the officers issued earlier this year.

Supreme Court Commissions Updates

Mr. Cunningham reported that the Supreme Court's Justice For All Commission, DEI Commission, and the Commission on Well-Being in the Law have not met since the June Board meeting.

Mr. Cunningham reported that the survey on well-being in the law launched earlier this month. The survey is being done nationally by the Commission on Lawyer Assistance Programs with participation in more than 30 states. Over half of the State Bar membership has received the survey. He reminded Commissioners to please complete the survey, if they received it.

A "Foundations of Practice" survey will be launched in early August and will be open for four weeks. This is a nationwide survey being conducted by the Law School Admissions Council, the Institute for the Advancement of the American Legal System, and the American Bar Association's Center for Bar Leadership. The survey was last conducted ten years ago; however, Michigan did not participate at that time. Over 30 states are participating in this year's survey, and it will help to identify skills that are needed in the practice of law, what is needed to be successful in practice, what new attorneys need to know, and identify what needs to be changed in the education system to make new attorneys practice ready.

Finally, a survey regarding violence against attorneys is scheduled to launch in the fall of 2025.

Staff Updates

Mr. Cunningham shared that Ms. Kathy Gardner, Assistant Executive Director, will be retiring later this summer. Ms. Gardner will be transitioning to part-time status and working remotely until her position is filled. This position has been posted online, and applications are being accepted.

A new Director of Research and Development was hired this week, but the individual is unable to begin until September.

Mr. Scott Atkinson who has been a Communications Specialist for the past couple of years has been promoted to Editor of the State Bar. He will oversee the editing of the Michigan Bar Journal as well as other State Bar content. His former position, communications specialist, has been posted, and is expected to be filled later this summer.

Ms. Kim Panter was promoted to the position of Application Development Manager. She will oversee and coordinate the projects of the IT department. This position has been vacant for over a year. Her former position as a Software Delivery & Business Strategy Lead has been posted.

Ms. JoAnn Hathaway retired earlier this month from the Practice Management Resource Center as an PRMC advisor. Her position will be replaced with a Practice Management Counsel position.

Ms. Stacie Palmer was hired as the new Human Resources Assistant. She filled the vacancy made by Alicia Walker who left earlier this year for a position closer to home. Ms. Palmer will be introduced at a future meeting.

Mr. Rob Mathis introduced Ms. Michelle Adams, who has been hired as the new ATJ Program Coordinator. Ms. Adams has experience with several non-profits, AmeriCorps alum, and an active member of the Junior League.

Mr. Cunningham shared that the staff organizational chart will be placed in the Convene Software program, which is expected to be ready for use by Commissioners within the next month. Convene will be a useful tool for use by the Board as it will be the repository for Board materials, communications for Committee meetings, and many other things. Mr. Cunningham advised the Commissioners to expect an invitation to join this new software platform in the coming weeks. SBM Staff is hopeful that all members will adapt to this intuitive platform quickly and then Convene will become the primary method for distribution of Board materials.

Ms. Raymer reported on implementation of the paid *Michigan Bar Journal* subscription for emeritus members, approved by the Board last year, which is expected to save approximately \$22,000 annually. Of the 4,245 emeritus members (growing about 10% per year), 1,742 currently receive the print edition; all will continue to receive the digital version at no cost. The subscription, priced at \$25 with automatic annual renewal, will launch August 18 with email and mailed notices, and will be available through the SBM store.

Representative Assembly (RA) Report: John W. Reiser, III, Chairperson

Chairperson Reiser shared that the next meeting is scheduled for Friday, September 19, 2025, at Detroit Marriott in Troy and will be held in hybrid format.

Chairperson Reiser expects a contested election for the position of clerk between Ms. Tanisha Davis from the 6th Circuit and Ms. Marla Linderman Richelew from the 3rd Circuit. Mr. Reiser stated that Commissioner Clay has worked hard to help fill vacancies in Bay and Tuscola Counties.

There are two proposals up for consideration at September's meeting. One will include the 11 recommendations from the Legal Deserts Workgroup. There will be multiple listening sessions during the week of the RA meeting to learn more about these recommendations. The second proposal is from Commissioner Nicole Evans pertaining to sealing records for non-convictions. The Ethics Committee may present two additional proposals regarding MRPC 1.10(a), imputed disqualification, and 4.4(b), respecting the rights of third parties. If time allows, there may also be a presentation by Hon. Angela Sherigan about the Native American boarding schools in Michigan.

Young Lawyers Section (YLS) Report: Silvia A. Mansoor, Chairperson

Commissioner Eccleston provided the report for YLS in Ms. Mansoor's temporary absence. YLS held their ZooLAWgical event on July 12, 2025, with approximately 25-30 people in attendance. The YLS also held a joint event with the tax law section recently. Upcoming events include an Etiquette and Professionalism and Civility program, an Insurance and Indemnity Law event, and NTAC will be held October 24-26, 2025. Ms. Cripps-Serra announced that the BOC/YLS Challenge will be held on September 12 and be bocce ball at Palazzo Di Bocce in Auburn Hills at 3:00 p.m.

COMMISSIONER COMMITTEES

Public Policy: Lisa J. Hamameh, Chairperson

President-Elect Hamameh stated that there is no report for the Public Policy committee.

Strategic Planning and Engagement Committee (SPEC): Erika L. Bryant, Chairperson

Partnership Programs

Vice President Bryant reported that SPEC recommended to the Board three new partner programs for the State Bar of Michigan:

CARET Legal is a practice management software that automates everything from management to billing. The software assists firms to track and manage all aspects of their cases, automates manual workflows, provides reporting and analytics, and integrates billing, accounting, and payment processing into one software. CARET Legal is also working with the State Bar of Michigan to develop a succession planning module.

CaseMark is an AI powered platform that delivers concise summaries of simple and complex legal texts within minutes. The platform offers custom workflows, integration with existing platforms, security and privacy, and LLM routing engines to ensure sensitive legal content will not get blocked by content filters. Its concentration is security and privacy and focuses on providing the legal profession the tools to make their practices efficient. CaseMark is designed to work for all firm sizes, court reports, in-house counsel, legal aid, etc. It will be one of the first AI programs offered through preferred partnerships.

Querious is an AI program that transcribes routine client conversations into high-impact legal services through real-time insights and effortless follow-ups such as legal issues, relevant content, and suggested questions. The program integrates with various virtual meeting spaces like Zoom, Teams, and Google Meet and provides security and confidentiality in compliance with the model rules of professional responsibility. This program will also be one of the first AI programs offered through preferred partnerships.

Commissioner Bryant made a motion to approve these three partner programs, pending a marketing review by Communications, and contract review by General Counsel. The motion was supported, voted upon, and passed unanimously.

Section By-Law Amendments

Young Lawyers Section

Commissioner Bryant made a motion to approve the proposed amendments to the YLS Bylaws as provided in the Board materials. The motion was seconded, voted upon, and passed unanimously.

50-Year Golden Celebration and Great Lakes Legal Conference Reports

Commissioner Bryant noted the reports of these two events were provided in the Board materials. The 50-year Golden Celebration has received an average net promoter score of 82.6% over three years.

The average net promoter score for the Great Lakes Legal Conference over three years is 59.3. Commissioner Bryant highlighted the implementation of one-to-one sessions with SBM staff and members. Many attendees really enjoyed the networking component of this year's conference.

Website Survey Results and Update

Ms. Raymer presented results of the website survey (≈350 respondents), noting strengths and weaknesses of the current layout. The site received a net promoter score of -25. She outlined guiding principles for improvement: strengthening the SBM brand, ensuring up-to-date and relevant content, and prioritizing user experience for both attorneys and the public.

Finance and Audit: Thomas H. Howlett, Chairperson
Financial Report

Treasurer Howlett gave a financial report of FY 2025 through May 2025.

Treasurer Howlett introduced the FY2026 budget and described the process undertaken and Mr. Cunningham provided an overview of the proposed FY 2026 budget. A motion was made to approve the budget as recommended by the Finance and Audit Committee. The motion was seconded and approved.

Professional Standards: David C. Anderson, Chairperson

Secretary Anderson extended his gratitude to the committee members and the SBM for all their hard work.

FOR THE GOOD OF THE PUBLIC AND THE PROFESSION

Comments or questions from Commissioners

Commissioner Clay inquired about the Michigan Supreme Court's request for Board of Commissioners nominations. Mr. Cunningham reviewed the process.

Ms. Bossenbery reminded Commissioners to register for the September Board meeting and the Inauguration and Awards Luncheon. She also informed Commissioners to expect an email within the next couple of days to identify their committee preferences and section liaison preferences for the 2025-2026 Bar year.

Comments or questions from the public

Ms. Jody White provided comments to the Board on their personal experiences with the legal system.

Adjournment

The meeting was adjourned at 1:08 pm.

**State Bar of Michigan
Executive Committee Virtual Meeting
Thursday, May 22, 2025
4:00 p.m.**

President McGill called the meeting to order at 4:01 p.m.

Members Present: President Joseph P. McGill, President Elect Lisa J. Hamameh, Vice President Erika L. Bryant, Treasurer Thomas H. Howlett, Secretary David C. Anderson, Representative Assembly Chair John W. Reiser III, Representative Assembly Vice Chair Nicole A. Evans, and Commissioners Aaron V. Burrell, and Hon. David A. Perkins

Members Absent: Commissioner Suzanne C. Larsen

State Bar Staff Present: Peter Cunningham, Executive Director; Drew Baker, General Counsel; Margaret Bossenbery, Executive Coordinator; Katherine Gardner, Assistant Executive Director; Janna Sheppard, Administrative Assistant, Kari Thrush, Assistant Executive Director, and Nathan Triplett, Public Policy Director

Minutes:

A motion was offered and supported to approve the April 14 2025, meeting minutes. The motion was approved.

President and Executive Director's Report

Mr. McGill gave the committee an update on the events he attended since the last meeting.

Mr. Cunningham told the committee members there was an oversight with the current election in that the designation of "Incumbent" was not included next to the appropriate candidates on the ballots. He stated that Ms. Bossenbery has contacted the election services corporation and that the designation has now been added.

Mr. Cunningham reported that due to the resignation of a State Bar of Michigan-elected member of the Judicial Tenure Commission, the State Bar of Michigan will conduct a special election in July to fill the remainder of the term. The statewide special election will fill a partial term for a non-judicial seat on the JTC with a term ending December 31, 2026. Pursuant to the Michigan Supreme Court Rules Governing the State Bar of Michigan, the election will be conducted in the same way as when the successor was elected

Mr. Cunningham informed the committee that two surveys will be sent to SBM members in the next few months. They include a survey about well-being in the law and one on violence against attorneys.

Mr. Cunningham reported that the Grand Hotel has sold out of rooms during the Great Lakes Legal Conference. He said that registrations for the conference are on par with last year and that Chief Justice Cavanagh and Justices Bernstein, Hood, and Zahra are also attending.

Representative Assembly (RA) Report

Mr. Reiser stated that Ms. Janet Welch is receiving the Michael Franck Award and Mr. Kamau Sandiford is receiving the Unsung Hero Award. Mr. Reiser stated that he is considering having Hon. Angela Sherigan speak to the RA at its September meeting.

Mr. Reiser reported that a survey was sent out to all RA members after the April meeting requesting their comments on the Legal Desert recommendations.

June 13, 2025 Board Agenda

Mr. Cunningham provided the committee with an update on changes to the agenda including a possible item for the Discussion agenda item. It was suggested that Michelle Crockett from the Honigman Law Firm be asked to give a privileged presentation and lead a privileged conversation with the Board about potential legal risks for the State Bar.

Because of the hard stop of the board meeting, it was proposed that the meeting begin at 8:30 and the committee agreed.

A motion was offered and supported to approve the agenda for the June 13, 2025 board meeting noting that the meeting will begin at 8:30 a.m. The motion was approved.

Adjournment

The meeting was adjourned at 4:47 p.m.

President Joseph P. McGill
Activities
July 26 to September 19, 2025

Date	Event	Location
August 7 – 13	National Conference of Bar Presidents American Bar Association Annual Meeting House of Delegates meeting	Toronto, CA
August 18	SBM Board Officers Dinner	Troy
August 23	Prosecuting Attorneys of Michigan Banquet	Mackinac Island
September 4	Executive Committee meeting	Virtual
September 5	MSU Law's Spartans Set Sail. Hosted by the MSU Law Legion and the MSU Environmental and Agricultural Law Society	Haslett
September 8	Detroit Bar Association Annual Golf Outing Dinner	Detroit
September 12	BOC vs YLS Challenge – Bocce Ball	Lake Orion
September 19	Board of Commissioners meeting	Troy

**Executive Director Peter Cunningham Activities
July 26 to September 19, 2025**

Date	Event
July 31	Diversity, Equity, and Inclusion (DEI) Commission Executive Team meeting
August 1	Commission on Well-Being in the Law (CWBIL) Executive Team meeting
August 4	CWBIL Commission Meeting
August 5 – 18	National Association of Bar Executives (NABE) National Conference of Bar Presidents (NCBP)
August 7	Meeting with Great Rivers Bar Leaders
August 18	SBM Board Officers Dinner
August 21	Meeting with Chief Justice Cavanagh
August 21	MSU College of Law Foundations Event
August 25	SBM Committees Appointment Session SBM Commissioners Committee Appointment meeting
August 27	All Staff Meeting
August 28	JFA Commission Executive Team meeting
September 3	Strategic Planning and Engagement (SPEC) Committee meeting
September 4	Executive Committee meeting
September 5	DEI Commission meeting
September 8	JFA Commission meeting
September 8	RA Listening Session for Legal Desserts Workgroup
September 10	RA Listening Session for Legal Desserts Workgroup
September 16	Meeting with Commissioner James Liggins
September 17	Finance and Audit Committee meeting
September 17	Public Policy Committee meeting
September 18	Meeting with Chief Justice Cavanagh
September 18	JFA Executive Committee meeting
September 18	Michigan State Bar Foundation Fellows Reception
September 19	Board of Commissioners meeting Inauguration and Awards luncheon Representative Assembly meeting



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

=====

The Committee on Model Criminal Jury Instructions solicits comment on the following proposal by November 1, 2025. Comments may be sent in writing to Christopher M. Smith, Reporter, Committee on Model Criminal Jury Instructions, Michigan Hall of Justice, P.O. Box 30052, Lansing, MI 48909-7604, or electronically to MCrimJI@courts.mi.gov.

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PROPOSED

The Committee proposes a new preliminary instruction, M Crim JI 1.10 (Referring to Jurors By Number) that would direct jurors not to draw any inferences from the use of juror numbers in lieu of names. This instruction is entirely new.

[NEW] M Crim JI 1.10 Referring to Jurors by Number

During jury selection and throughout trial, the lawyers and I will refer to you by number rather than by name. The use of juror numbers is for administrative purposes only. You must not allow this procedure to influence your decision in any way. Your decision must be based solely on the evidence presented.

Public Policy Position
M Crim JI 1.10

Support with Amendments

Explanation:

The Committee voted to support Model Criminal Jury Instruction 1.10 with an amendment changing the “will” to “may.”

Position Vote:

Voted For position: 19

Voted against position: 0

Abstained from vote: 0

Did not vote (absent): 7

Contact Persons:

Nimish R. Ganatra ganatran@washtenaw.org

John A. Shea jashea@earthlink.net



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PROPOSED

The Committee proposes amending M Crim JI 3.17 (Single Defendant-Single Count), M Crim JI 3.18 (Multiple Defendants-Single Count), M Crim JI 3.20 (Single Defendant-Multiple Counts-More Than One Wrongful Act), and M Crim JI 3.22 (Multiple Defendants-Multiple Counts-More Than One Wrongful Act) to present the possible verdicts in a consistent sequence, with “not guilty” appearing as the first option. Deletions are in ~~striketrough~~, and new language is underlined.

**[AMENDED] M Crim JI 3.17 Single Defendant-Single
Count**

You may return a verdict of not guilty or guilty of the alleged crime [, or guilty of a less serious crime,] ~~or not guilty~~.

**[AMENDED] M Crim JI 3.18 Multiple Defendants-Single
Count**

You must return a separate verdict for each defendant. This means that, for each individual defendant, you may return a verdict of not guilty or guilty of the alleged crime [, or guilty of a less serious crime,] ~~or not guilty~~.

[AMENDED] M Crim JI 3.20

**Single Defendant-Multiple
Counts-More Than One
Wrongful Act**

(1) The defendant is charged with ____ counts, that is, with the crimes of _____ and _____ . These are separate crimes, and the prosecutor is charging that the defendant committed [both / all] of them. You must consider each crime separately in light of all the evidence in the case.

(2) You may find the defendant not guilty or guilty of all or [any one / any combination] of these crimes [, or guilty of a less serious crime,] ~~or not guilty.~~

[AMENDED] M Crim JI 3.22

**Multiple Defendants-Multiple
Counts-More Than One
Wrongful Act**

(1) The defendants are each charged with ____ counts, that is, with the crimes of _____ and _____. These are separate crimes, and the prosecutor is charging that each defendant committed [both / all] of them. You must consider each crime separately in light of all the evidence.

(2) You must return a separate verdict for each defendant. For each defendant, you may return a verdict of not guilty or guilty of one or more of the alleged crimes [, or guilty of a less serious crime,] ~~or not guilty.~~ Remember that you must consider each defendant separately.

Public Policy Position
M Crim JI 3.17, 3.18, 3.20, 3.22

Support

Explanation:

The Committee voted unanimously to support Model Criminal Jury Instructions 3.17, 3.18, 3.20, and 3.22 as written.

Position Vote:

Voted For position: 19

Voted against position: 0

Abstained from vote: 0

Did not vote (absent): 7

Contact Persons:

Nimish R. Ganatra ganatran@washtenaw.org

John A. Shea jashea@earthlink.net



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

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PROPOSED

The Committee proposes amending the following instructions to eliminate an unnecessary element: M Crim JI 16.1 (First-degree Premeditated Murder), M Crim JI 16.4 (First-degree Felony Murder), M Crim JI 16.5 (Second Degree Murder), M Crim JI 16.6 (Element Chart First-degree Premeditated Murder and Second-degree Murder), M Crim JI 16.7 (Element Chart First-degree Felony Murder and Second-degree Murder), M Crim JI 16.8 (Voluntary Manslaughter), M Crim JI 16.10 (Involuntary Manslaughter), M Crim JI 16.11 (Involuntary Manslaughter – Firearm Intentionally Aimed), and M Crim JI 17.3 (Assault with Intent to Murder). The proposal primarily serves as a response to *People v Spears*, 346 Mich App 494 (2023), lv den ____ Mich ____ (December 13, 2024) (Docket No. 165768). Additionally, M Crim JI 16.8 has been modified for greater consistency with M Crim JI 16.9, and M Crim JI 16.11 has been modified to remove duplicative language and to reflect statutory involuntary manslaughter’s status as a cognate lesser included offense of murder, see MCL 750.329; *People v Smith*, 478 Mich 64 (2007). Deletions are in ~~striketrough~~, and new language is underlined.

[AMENDED] M Crim JI 16.1 First-Degree Premeditated Murder

(1) The defendant is charged with the crime of first-degree premeditated murder.¹ To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant caused the death of [*name deceased*], that is, that [*name deceased*] died as a result of [*state alleged act causing death*].²

(3) Second, that the defendant intended to kill [*name deceased*].³

(4) Third, that this intent to kill was premeditated, that is, thought out beforehand.

(5) Fourth, that the killing was deliberate, which means that the defendant considered the pros and cons of the killing and thought about and chose [his / her] actions before [he / she] did it. There must have been real and substantial reflection for long enough to give a reasonable person a chance to think twice about the intent to kill. The law does not say how much time is needed. It is for you to decide if enough time passed under the circumstances of this case. The killing cannot be the result of a sudden impulse without thought or reflection.

~~[(6) Fifth, that the killing was not justified, excused, or done under circumstances that reduce it to a lesser crime.]⁴~~

Use Notes

1. Second-degree murder is a lesser included offense of first-degree murder and should be instructed upon if supported by the evidence. *People v Cornell*, 466 Mich 335, 358 n13; 646 NW2d 127 (2002). Use M Crim JI 16.5 for this purpose. Manslaughter is also a lesser included offense of murder and should be instructed upon if supported by the evidence. *People v Mendoza*, 468 Mich 527; 664 NW2d 685 (2003). See M Crim JI 16.9 and 16.10. In lying-in-wait or poisoning cases, use M Crim JI 16.2 or 16.3, respectively. The Time and Place (Venue) instruction can be found at M Crim JI 3.10.

2. Where causation is an issue, see the special causation instructions, M Crim JI 16.15-16.23.

3. This is a specific intent crime.

~~4. Paragraph (6) may be omitted if there is no evidence of justification or excuse, and the jury is not being instructed on manslaughter or any offense less than manslaughter. Justification or excuse instructions may be inserted here, but they are more commonly given at a later time.~~

[AMENDED] M Crim JI 16.4 First-Degree Felony Murder

(1) The defendant is charged with first-degree felony murder. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant caused the death of [*name deceased*], that is, that [*name deceased*] died as a result of [*state alleged act causing death*].

(3) Second, that the defendant had one of these three states of mind: [he / she] intended to kill, or [he / she] intended to do great bodily harm to [*name deceased*], or [he / she] knowingly created a very high risk of death or great bodily harm knowing that death or such harm would be the likely result of [his / her] actions.

(4) Third, that when [he / she] did the act that caused the death of [*name deceased*], the defendant was committing [(or) attempting to commit / (or) helping someone else commit] the crime of [*state felony*]. For the crime of [*state felony*], the prosecutor must prove each of the following elements beyond a reasonable doubt: [*state elements of felony*].

~~[(5) Fourth, that the killing was not justified, excused, or done under circumstances that reduce it to a lesser crime.]*~~

[*Use (65) or (76) where factually appropriate:*]

(65) To establish an attempt, the prosecutor must prove beyond a reasonable doubt that the defendant intended to commit the crime of [*state felony*] and that [he / she] took some action toward committing that crime, but failed to complete it. It is not enough to prove that the defendant made preparations for committing the crime. Things like planning the crime or arranging how it will be committed are just preparations; they do not qualify as an attempt. In order to qualify as an attempt, the action must go beyond mere preparation, to the point where the crime would have been completed if it had not been interrupted by outside circumstances. To qualify as an attempt, the act must clearly and directly be related to the crime of [*state felony*] and not some other objective.

(76) The defendant must have been either committing or helping someone else commit the crime of [*state felony*]. To help means to perform acts or give encouragement, before or during the commission of the crime, that aids or assists in its commission. At the time of giving aid or encouragement, the defendant must have intended the commission of the [*state felony*].

Use Note

~~* — Paragraph (5) may be omitted if there is no evidence of justification or excuse, and the jury is not being instructed on manslaughter or any offense less than manslaughter. Justification or excuse instructions may be inserted here, but they are more commonly given at a later time.~~

[AMENDED] M Crim JI 16.5 Second-Degree Murder

(1) [The defendant is charged with the crime of / You may also consider the lesser charge of] second-degree murder.¹ To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant caused the death of [*name deceased*], that is, that [*name deceased*] died as a result of [*state alleged act causing death*].²

(3) Second, that the defendant had one of these three states of mind: [he / she] intended to kill, or [he / she] intended to do great bodily harm to [*name deceased*], or [he / she] knowingly created a very high risk of death or great bodily harm knowing that death or such harm would be the likely result of [his / her] actions.³

~~[(4) Third, that the killing was not justified, excused, or done under circumstances that reduce it to a lesser crime.]⁴~~

Use Notes

1. Where there is a question as to venue, insert M Crim JI 3.10, Time and Place (Venue).

2. Where causation is an issue, see the special causation instructions, M Crim JI 16.15-16.23.

3. Second-degree murder is not a specific intent crime. *People v Langworthy*, 416 Mich 630; 331 NW2d 171 (1982).

~~4. Paragraph (4) may be omitted if there is no evidence of justification or excuse, and the jury is not being instructed on manslaughter or any offense less than manslaughter. Justification or excuse instructions may be inserted here, but they are more commonly given at a later time.~~

[AMENDED] M Crim JI 16.6 Element Chart—First-Degree Premeditated and Second-Degree Murder

First-Degree Premeditated Murder	Second-Degree Murder
(1) victim's death	(1) same
(2) death caused by defendant	(2) same
[(3) death not justified or excused or mitigated to manslaughter]*	[(3) same]*
(34) defendant actually intended to kill victim, <i>and</i>	(34) defendant actually intended to kill victim, <i>or</i> defendant intended to do great bodily harm to victim, <i>or</i> defendant knowingly created a very high risk of death or great bodily harm knowing that death or such harm would be the likely result of [his / her] actions
(45) defendant premeditated victim's death, <i>and</i>	
(56) defendant deliberated victim's death	

Use Note

This chart may be distributed to jurors when first-degree premeditated and second-degree murder are the only potential verdicts, *or* when jurors request further clarification of the differences between the two offenses. To avoid undue reliance on the charts, the committee recommends that they only be distributed when written copies of all instructions are also distributed to jurors. This chart is intended for the supplemental guidance of the jury, rather than as a substitute for the comprehensive murder definitions contained in M Crim JI 16.1, 16.4, and 16.5.

~~*Paragraph (3) may be omitted if there is no evidence of justification or excuse, and the jury is not being instructed on manslaughter or any offense less than manslaughter.~~

[AMENDED] M Crim JI 16.7 Element Chart—First-Degree Felony and Second-Degree Murder

First-Degree Felony Murder	Second-Degree Murder
(1) victim's death	(1) same
(2) death caused by defendant	(2) same
[(3) death not justified or excused]*	[(3) same]*
(34) defendant actually intended to kill victim, <i>or</i> defendant intended to do great bodily harm to victim, <i>or</i> defendant knowingly created a very high risk of death or great bodily harm knowing that death or such harm would be the likely result of [his / her] actions	(34) same
(45) defendant was committing or attempting to commit a specified felony at the time of the act causing victim's death	

Use Note

This chart may be distributed to jurors when first-degree felony and second-degree murder are the only potential verdicts, *or* when jurors request further clarification of the differences between the two offenses. To avoid undue reliance on the charts, the committee recommends that they only be distributed when written copies of all instructions are also distributed to jurors. This chart is intended for the supplemental guidance of the jury, rather than as a substitute for the comprehensive murder definitions contained in M Crim JI 16.1, 16.4, and 16.5.

~~*Paragraph (3) may be omitted if there is no evidence of justification or excuse, and the jury is not being instructed on manslaughter or any offense less than manslaughter.~~

[AMENDED] M Crim JI 16.8 Voluntary Manslaughter

(1) [The defendant is charged with the crime of _____
~~/You may also consider the lesser charge of*~~] voluntary manslaughter.¹ To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant caused the death of [*name deceased*], that is, that [*name deceased*] died as a result of [*state alleged act causing death*].

(3) Second, that the defendant had one of these three states of mind: [he / she] intended to kill, or [he / she] intended to do great bodily harm to [*name deceased*], or [he / she] knowingly created a very high risk of death or great bodily harm knowing that death or such harm would be the likely result of [his / her] actions.

~~[(4) Third, that the defendant caused the death without lawful excuse or justification.]~~

Use Note

*1. If instructions on voluntary manslaughter are being given as a lesser offense to murder, use M Crim JI 16.9.

[AMENDED] M Crim JI 16.10 Involuntary Manslaughter

(1) [The defendant is charged with the crime of _____/
You may also consider the lesser charge of] involuntary manslaughter. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant caused the death of [*name deceased*], that is, that [*name deceased*] died as a result of [*state alleged act causing death*].

[*Use (3) when gross negligence is alleged:*]

(3) Second, in doing the act that caused [*name deceased*]'s death, the defendant acted in a grossly negligent manner.¹

[*Use (4) when the act requires an intent to injure:*]²

(4) Second, in doing the act that caused [name deceased]'s death, the defendant intended³ to injure [name deceased]. The act charged in this case is assault and battery. The prosecution must prove the following beyond a reasonable doubt: First, that the defendant committed a battery on [name deceased]. A battery is a forceful or violent touching of the person or something closely connected with the person. The touching must have been intended by the defendant, that is, not accidental, and it must have been against [name deceased]'s will. Second, that the defendant intended to injure [name deceased].

~~[(5) Third, that the defendant caused the death without lawful excuse or justification.]⁴~~

Use Notes

1. For a definition of *gross negligence*, see M Crim JI 16.18.

2. An unlawful act ~~which~~ that is committed with the intent to injure is not limited to an assault and battery. The applicable elements of that offense are set forth in this instruction because assault and battery is the most common type of unlawful act needed to support a charge of involuntary manslaughter.

3. This is a specific intent variant of the crime.

~~4. Paragraph (5) may be omitted if there is no evidence of excuse or justification.~~

[AMENDED] M Crim JI 16.11 Involuntary Manslaughter-Firearm Intentionally Aimed

(1) [The defendant is charged with the crime of _____/
~~You may also consider the lesser charge of~~] involuntary manslaughter. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant caused the death of [name deceased], ~~that is,~~
[name deceased] died as a result of ~~[state alleged act causing death]~~.

(3) Second, that death resulted from the discharge of a firearm.¹ ~~[A
firearm is an instrument from which (shot / a bullet) is propelled by the explosion
of gunpowder.]~~

(4) Third, at the time the firearm discharged ~~went off~~, the defendant was intentionally aiming or pointing it at [name deceased].

~~(5) Fourth, at that time, the defendant intended to point the firearm at~~
~~[name deceased].¹~~

~~[(6) Fifth, that the defendant caused the death without lawful excuse or~~
~~justification.]²~~

Use Note

1. ~~This is a specific intent crime.~~ *Firearm* is defined in MCL 750.222(e) as “any weapon which will, is designed to, or may readily be converted to expel a projectile by action of an explosive.”

~~2. Paragraph (6) should be given only if there is a claim by the defense that the killing was excused or justified.~~

[AMENDED] M Crim JI 17.3 Assault with Intent to Murder

(1) The defendant is charged with the crime of assault with intent to murder. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant tried to physically injure another person.

(3) Second, that when the defendant committed the assault, [he / she] had the ability to cause an injury, or at least believed that [he / she] had the ability.

(4) Third, that the defendant intended¹ to kill the person [he / she] assaulted ~~[, and the circumstances did not legally excuse or reduce the crime].²~~

Use Notes

¹. This is a specific intent crime.

². Where appropriate, give special instructions on particular defenses (see chapter 7), on mitigation (M Crim JI 17.4), and transferred intent (M Crim JI 17.17).

Public Policy Position
M Crim JI 16.1, 16.4 thru 16.8, 16.10, 16.11, 17.3

Support

Explanation:

The Committee voted unanimously to support Model Criminal Jury Instructions 16.1, 16.4 thru 16.8, 16.10, 16.11, and 17.3 as written.

Position Vote:

Voted For position: 19

Voted against position: 0

Abstained from vote: 0

Did not vote (absent): 7

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

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The Committee on Model Criminal Jury Instructions solicits comment on the following proposal by November 1, 2025. Comments may be sent in writing to Christopher M. Smith, Reporter, Committee on Model Criminal Jury Instructions, Michigan Hall of Justice, P.O. Box 30052, Lansing, MI 48909-7604, or electronically to MCrimJI@courts.mi.gov.

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PROPOSED

The Committee proposes amending M Crim JI 20.38 (Child Sexually Abusive Activity – Causing or Allowing), M Crim JI 20.38a (Child Sexually Abusive Activity – Producing), M Crim JI 20.38b (Child Sexually Abusive Activity – Distributing), and M Crim JI 20.38c (Child Sexually Abusive Activity – Possessing or Accessing) to account for the sentencing enhancements added by the Legislature in 2019. This proposal would also modify the title of each instruction to more accurately describe the offense at issue. Deletions are in ~~striketrough~~, and new language is underlined.

**[AMENDED] M Crim JI 20.38 Child Sexually Abusive Activity
Material– Causing or Allowing**

(1) The defendant is charged with the crime of causing or allowing a child to engage in sexually abusive activity in order to create or produce child sexually abusive material. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant [persuaded / induced / enticed / coerced / caused / knowingly allowed] a child under 18 years old to engage in child sexually abusive activity.

(3) Child sexually abusive activity includes:

*[Choose any of the following that apply:]*¹

- (a) sexual intercourse, which is genital-genital, oral-genital, anal-genital, or oral-anal penetration, whether the intercourse is real or simulated, and whether it is between persons of the same or

opposite sex, or between a person and an animal, or with an artificial genital, [and / or]

- (b) erotic fondling, which is the touching of a person's clothed or unclothed genitals, pubic area, buttocks, female breasts, or the developing or undeveloped breast area of a child for the purpose of sexual gratification or stimulation of any person involved, but does not include other types of touching, even if affectionate, [and / or]
- (c) sadomasochistic abuse, which is restraining or binding a person with rope, chains, or any other kind of binding material; whipping; or torturing for purposes of sexual gratification or stimulation, [and / or]
- (d) masturbation, which is stimulation by hand or by an object of a person's clothed or unclothed genitals, pubic area, buttocks, female breasts, or the developing or undeveloped breast area of a child for sexual gratification or stimulation, [and / or]
- (e) passive sexual involvement, which is watching, drawing attention to, or exposing someone to persons who are performing real or simulated sexual intercourse, erotic fondling, sadomasochistic abuse, masturbation, sexual excitement, or erotic nudity for the purpose of sexual gratification or stimulation of any person involved, [and / or]
- (f) sexual excitement, which is the display of someone's genitals in a state of stimulation or arousal, [and / or]
- (g) erotic nudity, which is showing the genital, pubic, or rectal area of someone in a way that tends to produce lewd or lustful emotions.

(4) Second, that the defendant caused or allowed the person to engage in child sexually abusive activity for the purpose of producing or making child sexually abusive material. Child sexually abusive materials are pictures, movies, or illustrations, made or produced by any means,² of [a person under 18 years old / the representation of a person under 18 years old] engaged in sexual intercourse, erotic fondling, sadomasochistic abuse, masturbation, passive sexual involvement, sexual excitement, and/or erotic nudity.²

(5) Third, that the defendant knew or reasonably should have known that the person was less than 18 years old², or failed to take reasonable precautions to determine whether the person was less than 18 years old.³

[Add the following paragraph if appropriate:]⁴

(6) Fourth, that the child sexually abusive activity or the child sexually abusive material involved

[Choose any of the following that apply:]

- (a) a child who has not yet reached puberty, or
- (b) sadomasochistic abuse, which [I have already defined / is restraining or binding a person with rope, chains, or any other kind of binding material; whipping; or torturing for purposes of sexual gratification or stimulation], or
- (c) sexual acts between a person and an animal,⁵ or
- (d) a video or more than 100 images of child sexually abusive material.

Use Notes

1. The statute prohibits both real and simulated sexual acts. Where the acts are simulated, or simulated acts are included, the instructions should be modified accordingly.

2. The statute, MCL 750.145c(1)(o), provides a list of forms that child sexually abusive materials can take:

...any depiction, whether made or produced by electronic, mechanical, or other means, including a developed or undeveloped photograph, picture, film, slide, video, electronic visual image, computer diskette, computer or computer-generated image, or picture, or sound recording which is of a child or appears to include a child engaging in a listed sexual act; a book, magazine, computer, computer storage device, or other visual or print or printable medium containing such a photograph, picture, film, slide, video, electronic visual image,

computer, or computer-generated image, or picture, or sound recording; or any reproduction, copy, or print of such a photograph, picture, film, slide, video, electronic visual image, book, magazine, computer, or computer-generated image, or picture, other visual or print or printable medium, or sound recording.

The Committee on Model Criminal Jury Instructions believes that the phrase, “pictures, movies, or illustrations, made or produced by any means,” will generally suffice to describe such materials. However, the court may prefer to select a more specific term or phrase from the statutory list.

3. The statute lists several alternatives for this element of the offense in MCL 750.145c(2), (3), and (4):

. . . if that person knows, has reason to know, or should reasonably be expected to know that the child is a child or that the child sexually abusive material includes a child or that the depiction constituting the child sexually abusive material appears to include a child, or that person has not taken reasonable precautions to determine the age of the child.

Generally, the language of the instruction will suffice. However, in appropriate cases, the court may select some or all of the other statutory language for this element.

4. Paragraph (6) applies when the prosecution seeks the enhanced sentence set forth in MCL 750.145c(2)(b). It need not be given when sadomasochistic abuse is the only type of child sexually abusive activity being alleged because, in that scenario, the jury will have already found the facts pertaining to the sentence enhancement.

5. MCL 750.145c uses the term *bestiality* but does not define it. In *People v Carrier*, 74 Mich App 161, 165-166; 254 NW2d 35 (1977), the Court of Appeals indicated that bestiality encompasses sexual acts between a man or woman and an animal. These acts are not limited to anal copulation.

(1) The defendant is charged with the crime of producing child sexually abusive material. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant [arranged for / produced / made¹ / copied / reproduced / financed / (attempted / prepared / conspired) to (arrange for / produce / make / copy / reproduce / finance)] child sexually abusive [activity / material].

(3) Child sexually abusive materials are pictures, movies, or illustrations, made or produced by any means,² of [a person under 18 years old / the representation of a person under 18 years old] engaged in one or more of the following sexual acts:

*[Choose any of the following that apply:]*³

- (a) sexual intercourse, which is genital-genital, oral-genital, anal-genital, or oral-anal penetration, whether the intercourse is real or simulated, and whether it is between persons of the same or opposite sex, or between a person and an animal, or with an artificial genital, [and / or]
- (b) erotic fondling, which is the touching of a person's clothed or unclothed genitals, pubic area, buttocks, female breasts, or the developing or undeveloped breast area of a child for the purpose of sexual gratification or stimulation of any person involved, but does not include other types of touching, even if affectionate, [and / or]
- (c) sadomasochistic abuse, which is restraining or binding a person with rope, chains, or any other kind of binding material; whipping; or torturing for purposes of sexual gratification or stimulation, [and / or]
- (d) masturbation, which is stimulation by hand or by an object of a person's clothed or unclothed genitals, pubic area, buttocks, female breasts, or the developing or undeveloped breast area of a child for sexual gratification or stimulation, [and / or]
- (e) passive sexual involvement, which is watching, drawing attention to, or exposing someone to persons who are performing

real or simulated sexual intercourse, erotic fondling, sadomasochistic abuse, masturbation, sexual excitement, or erotic nudity for the purpose of sexual gratification or stimulation of any person involved, [and / or]

- (f) sexual excitement, which is the display of someone's genitals in a state of stimulation or arousal, [and / or]
- (g) erotic nudity, which is showing the genital, pubic, or rectal area of someone in a way that tends to produce lewd or lustful emotions.

[Choose either (4) or (5), depending on whether the depiction is an actual person or is a created representation of a person under the age of 18:]

(4) Second, that the defendant knew or should reasonably have known that the person shown in the sexually abusive material was less than 18 years old; or failed to take reasonable precautions to determine whether the person was less than 18 years old.⁴

(5) Second, that the defendant produced a portrayal of a person appearing to be less than 18 years old, knowing that the person portrayed appeared to be less than 18 years old, and all of the following conditions apply:⁴

- (a) An average person, applying current community standards, would find that the material appealed to an unhealthy or shameful interest in nudity, sex, or excretion.⁵
- (b) A reasonable person would not find any serious literary, artistic, political, or scientific value in the material.
- (c) The material shows or describes sexual intercourse, erotic fondling, sadomasochistic abuse, masturbation, passive sexual involvement, sexual excitement, or erotic nudity, as previously described for you.

[Add the following paragraph if appropriate:]⁶

(6) Third, that the child sexually abusive activity or the child sexually abusive material involved

[Choose any of the following that apply:]

- (a) a child who has not yet reached puberty, or
- (b) sadomasochistic abuse, which [I have already defined / is restraining or binding a person with rope, chains, or any other kind of binding material; whipping; or torturing for purposes of sexual gratification or stimulation], or
- (c) sexual acts between a person and an animal,⁷ or
- (d) a video or more than 100 images of child sexually abusive material.

Use Notes

1. *Make* is defined in MCL 750.145c(1)(j) as:

... to bring into existence by copying, shaping, changing, or combining material, and specifically includes, but is not limited to, intentionally creating a reproduction, copy, or print of child sexually abusive material, in whole or part. Make does not include the creation of an identical reproduction or copy of child sexually abusive material within the same digital storage device or the same piece of digital storage media.

2. The statute, MCL 750.145c(1)(o), provides a list of forms that child sexually abusive materials can take:

... any depiction, whether made or produced by electronic, mechanical, or other means, including a developed or undeveloped photograph, picture, film, slide, video, electronic visual image, computer diskette, computer or computer-generated image, or picture, or sound recording which is of a child or appears to include a child engaging in a listed sexual act; a book, magazine, computer, computer storage device, or other visual or print or printable medium containing such a photograph, picture, film, slide, video, electronic visual image, computer, or computer-generated image, or picture, or sound recording; or any reproduction, copy, or print of such a photograph, picture, film, slide, video, electronic

visual image, book, magazine, computer, or computer-generated image, or picture, other visual or print or printable medium, or sound recording.

The Committee on Model Criminal Jury Instructions believes that the phrase, “pictures, movies, or illustrations, made or produced by any means,” will generally suffice to describe such materials. However, the court may prefer to select a more specific term or phrase from the statutory list.

3. The statute prohibits both real and simulated sexual acts. Where the acts are simulated, the instructions should be modified accordingly.

4. The statute lists several alternatives for this element of the offense in MCL 750.145c(2), (3), and (4):

. . . if that person knows, has reason to know, or should reasonably be expected to know that the child is a child or that the child sexually abusive material includes a child or that the depiction constituting the child sexually abusive material appears to include a child, or that person has not taken reasonable precautions to determine the age of the child.

Generally, the language of the instruction will suffice. However, in appropriate cases, the court may select some or all of the other statutory language for this element.

5. If necessary, *excretion* may be defined as the act or product of urinating or defecating.

6. Paragraph (6) applies when the prosecution seeks the enhanced sentence set forth in MCL 750.145c(2)(b). It need not be given when sadomasochistic abuse is the only type of child sexually abusive material being alleged because, in that scenario, the jury will have already found the facts pertaining to the sentence enhancement.

7. MCL 750.145c uses the term *bestiality* but does not define it. In *People v Carrier*, 74 Mich App 161, 165-166; 254 NW2d 35 (1977), the Court of Appeals indicated that bestiality encompasses sexual acts between a man or woman and an animal. These acts are not limited to anal copulation.

**[AMENDED] M Crim JI 20.38b Child Sexually Abusive Activity
Material – Distributing**

(1) The defendant is charged with the crime of distributing child sexually abusive material. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant [distributed / promoted / financed the (distribution / promotion) of / received for the purpose of (distributing / promoting) / (conspired / attempted / prepared) to (distribute / receive / finance / promote)] child sexually abusive [material / activity].

(3) Child sexually abusive materials are pictures, movies, or illustrations¹ of [a person under 18 years old / the representation of a person under 18 years old] engaged in one or more of the following sexual acts:

*[Choose any of the following that apply:]*²

- (a) sexual intercourse, which is genital-genital, oral-genital, anal-genital, or oral-anal penetration, whether the intercourse is real or simulated, and whether it is between persons of the same or opposite sex, or between a person and an animal, or with an artificial genital, [and / or]
- (b) erotic fondling, which is the touching of a person's clothed or unclothed genitals, pubic area, buttocks, female breasts, or the developing or undeveloped breast area of a child for the purpose of sexual gratification or stimulation of any person involved, but does not include other types of touching, even if affectionate, [and / or]
- (c) sadomasochistic abuse, which is restraining or binding a person with rope, chains, or any other kind of binding material; whipping; or torturing for purposes of sexual gratification or stimulation, [and / or]
- (d) masturbation, which is stimulation by hand or by an object of a person's clothed or unclothed genitals, pubic area, buttocks, female breasts, or the developing or undeveloped breast area of a child for sexual gratification or stimulation, [and / or]

- (e) passive sexual involvement, which is watching, drawing attention to, or exposing someone to persons who are performing real or simulated sexual intercourse, erotic fondling, sadomasochistic abuse, masturbation, sexual excitement, or erotic nudity for the purpose of sexual gratification or stimulation of any person involved, [and / or]
- (f) sexual excitement, which is the display of someone's genitals in a state of stimulation or arousal, [and / or]
- (g) erotic nudity, which is showing the genital, pubic, or rectal area of someone in a way that tends to produce lewd or lustful emotions.

[Choose either (4) or (5), depending on whether the depiction is an actual person or is a created representation of a person under the age of 18:]

(4) Second, that the defendant knew or should reasonably have known³ that the person shown in the sexually abusive material was less than 18 years old, or failed to take reasonable precautions to determine whether the person was less than 18 years old.

(5) Second, that the defendant distributed a portrayal of a person appearing to be less than 18 years old, knowing that the person portrayed appeared to be less than 18 years old, and all of the following conditions apply:

- (a) An average person, applying current community standards, would find that the material appealed to an unhealthy or shameful interest in nudity, sex, or excretion.⁴
- (b) A reasonable person would not find any serious literary, artistic, political, or scientific value in the material.
- (c) The material shows or describes sexual intercourse, erotic fondling, sadomasochistic abuse, masturbation, passive sexual involvement, sexual excitement, or erotic nudity, as previously described for you.

*[Add the following paragraph if appropriate:]*⁵

(6) Third, that the child sexually abusive activity or the child sexually abusive material involved

[Choose any of the following that apply:]

- (a) a child who has not yet reached puberty, or
- (b) sadomasochistic abuse, which [I have already defined / is restraining or binding a person with rope, chains, or any other kind of binding material; whipping; or torturing for purposes of sexual gratification or stimulation], or
- (c) sexual acts between a person and an animal,⁶ or
- (d) a video or more than 100 images of child sexually abusive material.

Use Notes

1. The statute, MCL 750.145c(1)(o), provides a list of forms that child sexually abusive materials can take:

...any depiction, whether made or produced by electronic, mechanical, or other means, including a developed or undeveloped photograph, picture, film, slide, video, electronic visual image, computer diskette, computer or computer-generated image, or picture, or sound recording which is of a child or appears to include a child engaging in a listed sexual act; a book, magazine, computer, computer storage device, or other visual or print or printable medium containing such a photograph, picture, film, slide, video, electronic visual image, computer, or computer-generated image, or picture, or sound recording; or any reproduction, copy, or print of such a photograph, picture, film, slide, video, electronic visual image, book, magazine, computer, or computer-generated image, or picture, other visual or print or printable medium, or sound recording.

The Committee on Model Criminal Jury Instructions believes that the phrase, “pictures, movies, or illustrations, made or produced by any means,” will generally suffice to describe such materials. However, the court may prefer to select a more specific term or phrase from the statutory list.

2. The statute prohibits both real and simulated sexual acts. Where the acts are simulated, the instructions should be modified accordingly.

3. The statute lists several alternatives for this element of the offense in MCL 750.145c(2), (3), and (4):

. . . if that person knows, has reason to know, or should reasonably be expected to know that the child is a child or that the child sexually abusive material includes a child or that the depiction constituting the child sexually abusive material appears to include a child, or that person has not taken reasonable precautions to determine the age of the child.

Generally, the language of the instruction will suffice. However, in appropriate cases, the court may select some or all of the other statutory language for this element.

4. If necessary, *excretion* may be defined as the act or product of urinating or defecating.

5. Paragraph (6) applies when the prosecution seeks the enhanced sentence set forth in MCL 750.145c(3)(b). It need not be given when sadomasochistic abuse is the only type of child sexually abusive material being alleged because, in that scenario, the jury will have already found the facts pertaining to the sentence enhancement.

6. MCL 750.145c uses the term *bestiality* but does not define it. In *People v Carrier*, 74 Mich App 161, 165-166; 254 NW2d 35 (1977), the Court of Appeals indicated that bestiality encompasses sexual acts between a man or woman and an animal. These acts are not limited to anal copulation.

(1) The defendant is charged with the crime of possessing or accessing child sexually abusive material. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant [possessed child sexually abusive material / intentionally looked for child sexually abusive material to view it, or to cause it to be sent to or seen by another person].

(3) Child sexually abusive materials are pictures, movies, or illustrations¹ of [a person under 18 years old / the representation of a person under 18 years old] engaged in one or more of the following sexual acts:

*[Choose any of the following that apply:]*²

- (a) sexual intercourse, which is genital-genital, oral-genital, anal-genital, or oral-anal penetration, whether the intercourse is real or simulated, and whether it is between persons of the same or opposite sex, or between a person and an animal, or with an artificial genital, [and / or]
- (b) erotic fondling, which is the touching of a person's clothed or unclothed genitals, pubic area, buttocks, female breasts, or the developing or undeveloped breast area of a child for the purpose of sexual gratification or stimulation of any person involved, but does not include other types of touching, even if affectionate, [and / or]
- (c) sadomasochistic abuse, which is restraining or binding a person with rope, chains, or any other kind of binding material; whipping; or torturing for purposes of sexual gratification or stimulation, [and / or]
- (d) masturbation, which is stimulation by hand or by an object of a person's clothed or unclothed genitals, pubic area, buttocks, female breasts, or the developing or undeveloped breast area of a child for sexual gratification or stimulation, [and / or]
- (e) passive sexual involvement, which is watching, drawing attention to, or exposing someone to persons who are performing

real or simulated sexual intercourse, erotic fondling, sadomasochistic abuse, masturbation, sexual excitement, or erotic nudity for the purpose of sexual gratification or stimulation of any person involved, [and / or]

- (f) sexual excitement, which is the display of someone's genitals in a state of stimulation or arousal, [and / or]
- (g) erotic nudity, which is showing the genital, pubic, or rectal area of someone in a way that tends to produce lewd or lustful emotions.

[Choose either (4) or (5), depending on whether the depiction is an actual person or is a created representation of a person under the age of 18:]

(4) Second, that the defendant knew or should reasonably have known that the person shown in the sexually abusive material was less than 18 years old, or failed to take reasonable precautions to determine whether the person was less than 18 years old.³

(5) Second, that the defendant produced a portrayal of a person appearing to be less than 18 years old, knowing that the person portrayed appeared to be less than 18 years old, and all of the following conditions apply:

- (a) An average person, applying current community standards, would find that the material appealed to an unhealthy or shameful interest in nudity, sex, or excretion.⁴
- (b) A reasonable person would not find any serious literary, artistic, political, or scientific value in the material.
- (c) The material shows or describes sexual intercourse, erotic fondling, sadomasochistic abuse, masturbation, passive sexual involvement, sexual excitement, or erotic nudity, as previously described for you.

(6) Third, that the defendant [knew that (he / she) possessed / knowingly looked for] the material.

*[Add the following paragraph if appropriate:]*⁵

(7) Fourth, that the child sexually abusive activity or the child sexually abusive material involved

[Choose any of the following that apply:]

- (a) a child who has not yet reached puberty, or
- (b) sadomasochistic abuse, which [I have already defined / is restraining or binding a person with rope, chains, or any other kind of binding material; whipping; or torturing for purposes of sexual gratification or stimulation], or
- (c) sexual acts between a person and an animal,⁶ or
- (d) a video or more than 100 images of child sexually abusive material.

Use Notes

1. The statute, MCL 750.145c(1)(o), provides a list of forms that child sexually abusive materials can take:

...any depiction, whether made or produced by electronic, mechanical, or other means, including a developed or undeveloped photograph, picture, film, slide, video, electronic visual image, computer diskette, computer or computer-generated image, or picture, or sound recording which is of a child or appears to include a child engaging in a listed sexual act; a book, magazine, computer, computer storage device, or other visual or print or printable medium containing such a photograph, picture, film, slide, video, electronic visual image, computer, or computer-generated image, or picture, or sound recording; or any reproduction, copy, or print of such a photograph, picture, film, slide, video, electronic visual image, book, magazine, computer, or computer-generated image, or picture, other visual or print or printable medium, or sound recording.

The Committee on Model Criminal Jury Instructions believes that the phrase, “pictures, movies, or illustrations, made or produced by any means,” will generally

suffice to describe such materials. However, the court may prefer to select a more specific term or phrase from the statutory list.

2. The statute prohibits both real and simulated sexual acts. Where the acts are simulated, the instructions should be modified accordingly.

3. The statute lists several alternatives for this element of the offense in MCL 750.145c(2), (3), and (4):

. . . if that person knows, has reason to know, or should reasonably be expected to know that the child is a child or that the child sexually abusive material includes a child or that the depiction constituting the child sexually abusive material appears to include a child, or that person has not taken reasonable precautions to determine the age of the child.

Generally, the language of the instruction will suffice. However, in appropriate cases, the court may select some or all of the other statutory language for this element.

4. If necessary, *excretion* may be defined as the act or product of urinating or defecating.

5. Paragraph (7) applies when the prosecution seeks the enhanced sentence set forth in MCL 750.145c(4)(b). It need not be given when sadomasochistic abuse is the only type of child sexually abusive material being alleged because, in that scenario, the jury will have already found the facts pertaining to the sentence enhancement.

6. MCL 750.145c uses the term *bestiality* but does not define it. In *People v Carrier*, 74 Mich App 161, 165-166; 254 NW2d 35 (1977), the Court of Appeals indicated that bestiality encompasses sexual acts between a man or woman and an animal. These acts are not limited to anal copulation.

Public Policy Position
M Crim JI 20.38, 20.38a, 20.38b, 20.38c

Support

Explanation:

The Committee voted unanimously to support Model Criminal Jury Instructions 20.38, 20.38a, 20.38b, and 20.38c as written.

Position Vote:

Voted For position: 19

Voted against position: 0

Abstained from vote: 0

Did not vote (absent): 7

Contact Persons:

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State Bar of Michigan Financial Results Summary

For the Ten Months Ended July 31, 2025
Fiscal Year 2025

Administrative Fund - Summary of Results as of July 31, 2025

Operating Revenue	\$10,766,072
Operating Expense	<u>(10,089,066)</u>
Operating Income (Loss)	677,006
Non-Operating Income (Loss)	<u>902,892</u>
Change in Net Position	\$1,579,898
Net Position, October 1, 2024	<u>\$16,076,928</u>
Net Position, July 31, 2025	<u>\$17,656,826</u>

As of July 31, 2025, Net Position *excluding* net assets restricted for retiree healthcare was \$13,568,969, an increase of \$1,404,963 since the beginning of the year and favorable to budget by \$921,121.

YTD Operating Revenue variance – \$232,947, favorable to budget (2.2%):

- License fee and related revenue was higher than budget by \$34,185 (0.4%) due to higher late fees.
- Other operating revenue was higher than budget by \$198,762 (11.6%) notably due to higher IAP, Bar Journal, C&F, Administration, and LJAP revenues.

YTD Operating Expense variance - \$620,251, favorable to budget (5.8%):

Labor Operating Expenses - \$135,015, favorable (2.0%)

- Salaries expenses were lower than budget by \$37,405 (0.7%) due to vacancies.
- Employee Benefits & Payroll Taxes were lower than budget by \$97,610 (6.4%), primarily due to vacancies, lower employee insurance expenses, and timing.

Non-Labor Operating Expenses - \$485,236, favorable (12.7%)

- Division 1 - \$94,537, favorable (21.9%) – Lower than budget with the largest variances in IAP, Outreach and C&F, partially offset by higher CPF expenses.

- Division 2 - \$208,581, favorable (12.2%) – Lower than budget with the largest variances in IT, Digital, Facilities, Bar Journal, Lawyer Services, and General Communications, some due to timing.
- Division 3 - \$182,119, favorable (10.9%) – Lower than budget with the largest variances in Finance and Administration, BOC, Executive Office, and General Counsel.

YTD Non-Operating Revenue Budget Variance - \$336,225, favorable to budget (59.3%):

- Interest income is favorable to budget by \$72,389 (12.8%)
- Retiree Health Care Trust net investment gain of \$268,302 (this amount is not budgeted)
- Loss on disposal of a fixed asset \$4,466.

Cash and Investment Balance

As of July 31, 2025, the cash and investment balance in the State Bar Admin Fund net of *due to Sections, ADS, Client Protection Fund, and Retiree Health Care Trust* was \$12,751,822, an increase of \$908,234 from the beginning of the year primarily due to collection of license fees and other revenues.

SBM Entities Retiree Health Care Trust

As of July 31, 2025, the SBM retiree health care trust investments were \$4,874,563, an increase of \$185,018 since the beginning of the year. The change is due to investment gain of \$279,519, the advisor and recordkeeping fees of \$11,217, and payments from the trust of \$83,284.

Capital Budget

Year-to-date capital expenditures totaled \$210,186, or 71.5% of the FY 2025 capital expenditures budget of \$293,980.

Client Protection Fund

The Net Position of the Client Protection Fund as of July 31, 2025, totaled \$3,228,130, an increase of \$102,503 from the beginning of the year. Claims expenses totaled \$368,275.

SBM Membership

As of July 31, 2025, the number of active fee-paying attorneys decreased by 170. The active, inactive, and emeritus membership in good standing totaled 47,225, an increase of 291 attorneys since the beginning of the year. Since the beginning of this fiscal year, 895 new attorneys joined SBM, compared to 741 during the same period of last year.

**STATE BAR OF MICHIGAN
ADMINISTRATIVE FUND**

Unaudited and For Internal Use Only

**FINANCIAL REPORTS
July 31, 2025**

FY 2025

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

State Bar of Michigan
SBM Statement of Net Position
July 31, 2025

Financial Row	Current Period (As of Jul 2025)	Prior Month (As of Jun 2025)	Variance	Variance %	Beginning of FY (As of Sep 2024)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Cash	\$ 858,526	\$ 965,207	\$ (106,681)	(11.1%)	\$ 948,734
Investments	\$ 15,118,988	\$ 15,997,624	\$ (878,636)	(5.5%)	\$ 13,980,956
Due from (to) CPF	\$ (503)	\$ (559)	\$ 56	(10.1%)	\$ 65,075
Due from (to) Sections	\$ (3,252,100)	\$ (3,357,997)	\$ 105,897	(3.2%)	\$ (3,116,272)
Due from (to) ADS	\$ 26,910	\$ 33,422	\$ (6,511)	(19.5%)	\$ (34,904)
Net Administrative Fund Cash and Investment Balance	\$ 12,751,822	\$ 13,637,697	\$ (885,875)	(6.5%)	\$ 11,843,588
Accounts Receivable	\$ 209,992	\$ 201,671	\$ 8,321	4.1%	\$ 157,901
Prepaid Expenses	\$ 306,810	\$ 316,045	\$ (9,236)	(2.9%)	\$ 547,587
Capital Assets, Net	\$ 3,100,580	\$ 3,089,771	\$ 10,809	0.3%	\$ 3,273,210
SBM Retiree Health Care Trust	\$ 4,874,563	\$ 4,849,787	\$ 24,776	0.5%	\$ 4,689,544
Total Assets	\$ 21,243,767	\$ 22,094,971	\$ (851,204)	(3.9%)	\$ 20,511,830
Deferred Outflows of Resources					
Deferred Outflows of Resources Related to Pensions	\$ 14,627	\$ 14,627	\$ -	0.0%	\$ 14,627
Deferred Outflows of Resources Related to OPEB	\$ 1,018,990	\$ 1,018,990	\$ -	0.0%	\$ 1,018,990
Total Deferred Outflows of Resources	\$ 1,033,618	\$ 1,033,618	\$ -	0.0%	\$ 1,033,618
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 22,277,385	\$ 23,128,589	\$ (851,204)	(3.7%)	\$ 21,545,448
LIABILITIES, DERERRED INFLOWS OF RESOURCES AND NET POSITION					
Liabilities					
Accounts Payable	\$ 5,701	\$ 79,658	\$ (73,957)	(92.8%)	\$ 417,434
Accrued Expenses	\$ 707,878	\$ 795,133	\$ (87,255)	(11.0%)	\$ 750,672
Deferred Revenue	\$ 1,782,556	\$ 2,630,204	\$ (847,649)	(32.2%)	\$ 2,147,744
GASB 96 Subscription Liability	\$ 94,331	\$ 94,331	\$ -	0.0%	\$ 132,660
Net Pension Liability	\$ 216,283	\$ 216,283	\$ -	0.0%	\$ 216,283
Net OPEB Liability	\$ 578,767	\$ 578,767	\$ -	0.0%	\$ 578,767
Total Liabilities	\$ 3,385,515	\$ 4,394,376	\$ (1,008,861)	(23.0%)	\$ 4,243,560
Deferred Inflows of Resources					
Deferred Inflows of Resources Related to Pensions	\$ 8,114	\$ 8,114	\$ -	0.0%	\$ 8,114
Deferred Inflows of Resources Related to OPEB	\$ 1,226,930	\$ 1,226,930	\$ -	0.0%	\$ 1,226,930
Total Deferred Inflows of Resources	\$ 1,235,044	\$ 1,235,044	\$ -	0.0%	\$ 1,235,044
Total Liabilities and Deferred Inflows	\$ 4,620,559	\$ 5,629,420	\$ (1,008,861)	(17.9%)	\$ 5,478,604
Net Assets					
Invested in Capital Assets, Net of Related Debt	\$ 3,006,249	\$ 2,995,440	\$ 10,809	0.4%	\$ 3,140,550
Restricted for Retiree Health Care Trust	\$ 4,087,856	\$ 4,063,080	\$ 24,776	0.6%	\$ 3,902,838
Unrestricted	\$ 10,562,720	\$ 10,440,649	\$ 122,071	1.2%	\$ 9,023,456
Total Net Position	\$ 17,656,826	\$ 17,499,170	\$ 157,656	0.9%	\$ 16,066,844
TOTAL LIABILITIES, DERERRED INFLOWS OF RESOURCES AND NET POSITION	\$22,277,385	\$23,128,589	(\$851,204)	(3.68%)	\$21,545,448
Net Position Excluding Impacts of Retiree Health Care Trust	\$ 13,568,969	\$ 13,436,089	\$ 132,880	1.0%	\$ 12,164,006

State Bar of Michigan
Summary - Statement of Revenue, Expense and Net Assets
July 31, 2025

Financial Row	Actual YTD (Oct 2024 - Jul 2025)	Budget YTD (Oct 2024 - Jul 2025)	Variance	Percentage	Prior YTD Actual (Oct 2023 - Jul 2024)
Operating Revenue					
License Fees, Dues and Related	\$ 8,852,810	\$ 8,818,625	\$ 34,185	0.4%	\$ 8,906,450
All Other Op Revenue	\$ 1,913,262	\$ 1,714,500	\$ 198,762	11.6%	\$ 2,023,737
Total Operating Revenue	\$ 10,766,072	\$ 10,533,125	\$ 232,947	2.2%	\$ 10,930,187
Operating Expenses					
Labor Operating Expenses					
Salaries	\$ 5,338,008	\$ 5,375,413	\$ (37,405)	(0.7%)	\$ 5,072,675
Benefits and Payroll Taxes	\$ 1,419,530	\$ 1,517,140	\$ (97,610)	(6.4%)	\$ 1,424,073
Total Labor Operating Expenses	\$ 6,757,538	\$ 6,892,553	\$ (135,015)	(2.0%)	\$ 6,496,748
Non Labor Operating Expenses					
Division 1 Non Labor Operating Expenses	\$ 336,699	\$ 431,236	\$ (94,537)	(21.9%)	\$ 295,376
Division 2 Non Labor Operating Expenses	\$ 1,504,236	\$ 1,712,817	\$ (208,581)	(12.2%)	\$ 1,315,379
Division 3 Non Labor Operating Expenses	\$ 1,490,592	\$ 1,672,711	\$ (182,119)	(10.9%)	\$ 1,361,458
Total Non Labor Operating Expenses	\$ 3,331,528	\$ 3,816,764	\$ (485,236)	(12.7%)	\$ 2,972,213
Total Operating Expenses	\$ 10,089,066	\$ 10,709,317	\$ (620,251)	(5.8%)	\$ 9,468,961
Operating Income (Loss)	\$ 677,006	\$ (176,193)	\$ 853,198	(484.2%)	\$ 1,461,225
Non Operating Revenue (Expenses)					
Investment Income	\$ 639,056	\$ 566,667	\$ 72,389	12.8%	\$ 681,665
Investment Income - Ret HC Trust	\$ 268,302	\$ -	\$ 268,302	0.0%	\$ 611,862
Loss on Disposal on Capital Asset	\$ (4,466)	\$ -	\$ (4,466)	-	\$ (16,406)
Total Non Operating Revenue (Expenses)	\$ 902,892	\$ 566,667	\$ 336,225	59.3%	\$ 1,277,121
Increase (Decrease) in Net Position	\$ 1,579,898	\$ 390,474	\$ 1,189,424	304.6%	\$ 2,738,346
Net Position Beginning of Year	\$ 16,076,928	\$ 16,076,928	\$ 0	0.0%	\$ 12,751,125
Net Position End of Period	\$ 17,656,826	\$ 16,467,402	\$ 1,189,424	7.2%	\$ 15,489,471
Change in Net Position Excluding Ret HC Trust Investment Income (Loss)	\$ 1,311,595	\$ 390,474	\$ 921,121	235.9%	\$ 2,126,484

State Bar of Michigan
Statement of Revenues, Expenses and Net Assets
July 31, 2025

Financial Row	Actual (Oct 2024 - Jul 2025)	Budget YTD (Oct 2024 - Jul 2025)	Budget Variance	Budget Variance %	Last YTD Actuals (Oct 2023 - Jul 2024)	Actuals Variance	Actuals Variance %
Operating Revenues							
License Fees and Related	\$ 8,852,810	\$ 8,818,625	\$ 34,185	0.4%	\$ 8,906,450	\$ (53,640)	(0.6%)
Other Operating Revenues							
Division 1							
Character & Fitness	\$ 350,405	\$ 328,133	\$ 22,272	6.8%	\$ 353,585	\$ (3,180)	(0.9%)
Diversity	\$ 1,590	\$ 500	\$ 1,090	218.0%	\$ 980	\$ 610	62.2%
Ethics	\$ 3,525	\$ 2,080	\$ 1,445	69.5%	\$ 3,535	\$ (10)	(0.3%)
IAP	\$ 212,460	\$ 125,000	\$ 87,460	70.0%	\$ 192,480	\$ 19,980	10.4%
Lawyer Referral Services	\$ 134,932	\$ 133,330	\$ 1,602	1.2%	\$ 332,560	\$ (197,628)	(59.4%)
UPL	\$ 203	\$ -	\$ 203	0.0%	\$ -	\$ 203	0.0%
Total - Division 1	\$ 703,115	\$ 589,043	\$ 114,072	19.4%	\$ 883,140	\$ (180,025)	(20.4%)
Division 2							
50 Year Event	\$ 6,915	\$ 6,000	\$ 915	15.3%	\$ 7,660	\$ (745)	(9.7%)
Bar Journal	\$ 183,781	\$ 140,517	\$ 43,264	30.8%	\$ 156,606	\$ 27,174	17.4%
Digital	\$ 38,175	\$ 33,340	\$ 4,835	14.5%	\$ 45,294	\$ (7,119)	(15.7%)
E Journal	\$ 36,674	\$ 25,830	\$ 10,844	42.0%	\$ 28,018	\$ 8,656	30.9%
Great Lakes Legal Conference	\$ 42,380	\$ 40,000	\$ 2,380	5.9%	\$ 41,735	\$ 645	1.5%
Inaugural and Awards Lunch	\$ 4,250	\$ 7,000	\$ (2,750)	(39.3%)	\$ 1,320	\$ 2,930	222.0%
Lawyer Services	\$ 182,233	\$ 199,355	\$ (17,122)	(8.6%)	\$ 197,107	\$ (14,874)	(7.5%)
Lawyers & Judges Assistance Program	\$ 65,014	\$ 52,083	\$ 12,931	24.8%	\$ 54,268	\$ 10,747	19.8%
Practice Management Resource Center	\$ 586	\$ 1,167	\$ (581)	(49.8%)	\$ 1,771	\$ (1,185)	(66.9%)
Print and Design	\$ 25,744	\$ 25,421	\$ 324	1.3%	\$ 28,319	\$ (2,574)	(9.1%)
Total - Division 2	\$ 585,751	\$ 530,712	\$ 55,039	10.4%	\$ 562,097	\$ 23,655	4.2%
Division 3							
Administration	\$ 624,395	\$ 594,744	\$ 29,651	5.0%	\$ 578,500	\$ 45,895	7.9%
Total - Division 3	\$ 624,395	\$ 594,744	\$ 29,651	5.0%	\$ 578,500	\$ 45,895	7.9%
Total Other Operating Revenues	\$ 1,913,262	\$ 1,714,500	\$ 198,762	11.6%	\$ 2,023,737	\$ (110,475)	(5.5%)
Total Operating Revenues	\$ 10,766,072	\$ 10,533,125	\$ 232,947	2.2%	\$ 10,930,187	\$ (164,115)	(1.5%)

Financial Row	Actual (Oct 2024 - Jul 2025)	Budget YTD (Oct 2024 - Jul 2025)	Budget Variance	Budget Variance %	Last YTD Actuals (Oct 2023 - Jul 2024)	Actuals Variance	Actuals Variance %
Operating Expenses							
Division 1							
Character & Fitness	\$ 25,417	\$ 46,818	\$ (21,401)	(45.7%)	\$ 31,657	\$ (6,240)	(19.7%)
Client Protection Fund	\$ 51,147	\$ 18,794	\$ 32,353	172.1%	\$ 15,700	\$ 35,447	225.8%
Diversity	\$ 30,187	\$ 32,530	\$ (2,343)	(7.2%)	\$ 21,131	\$ 9,056	42.9%
Ethics	\$ 6,170	\$ 8,360	\$ (2,190)	(26.2%)	\$ 3,414	\$ 2,757	80.8%
IAP	\$ 9,306	\$ 69,064	\$ (59,758)	(86.5%)	\$ 10,127	\$ (821)	(8.1%)
Justice Initiatives	\$ 130,953	\$ 132,514	\$ (1,561)	(1.2%)	\$ 139,918	\$ (8,965)	(6.4%)
Lawyer Referral Services	\$ 7,283	\$ 6,900	\$ 383	5.6%	\$ 5,547	\$ 1,736	31.3%
Outreach	\$ 70,834	\$ 103,345	\$ (32,511)	(31.5%)	\$ 64,683	\$ 6,151	9.5%
UPL	\$ 5,402	\$ 12,910	\$ (7,508)	(58.2%)	\$ 3,200	\$ 2,202	68.8%
Total - Division 1	\$ 336,699	\$ 431,236	\$ (94,537)	(21.9%)	\$ 295,376	\$ 41,324	14.0%
Division 2							
50 Year Event	\$ 40,106	\$ 37,350	\$ 2,756	7.4%	\$ 10,825	\$ 29,281	270.5%
Bar Journal	\$ 297,137	\$ 311,530	\$ (14,393)	(4.6%)	\$ 286,180	\$ 10,957	3.8%
Digital	\$ 93,120	\$ 147,502	\$ (54,382)	(36.9%)	\$ 85,504	\$ 7,615	8.9%
E Journal	\$ 14,378	\$ 13,880	\$ 498	3.6%	\$ 12,151	\$ 2,227	18.3%
Facilities	\$ 334,854	\$ 360,849	\$ (25,995)	(7.2%)	\$ 313,735	\$ 21,120	6.7%
General Communications	\$ 15,806	\$ 27,360	\$ (11,554)	(42.2%)	\$ 9,099	\$ 6,707	73.7%
Great Lakes Legal Conference	\$ 6,572	\$ 8,302	\$ (1,730)	(20.8%)	\$ 3,661	\$ 2,911	79.5%
IT	\$ 577,934	\$ 664,787	\$ (86,853)	(13.1%)	\$ 494,551	\$ 83,383	16.9%
Inaugural and Awards Lunch	\$ 22,716	\$ 25,000	\$ (2,284)	(9.1%)	\$ 13,009	\$ 9,707	74.6%
Lawyer Services	\$ 16,854	\$ 30,793	\$ (13,940)	(45.3%)	\$ 25,489	\$ (8,636)	(33.9%)
Lawyers & Judges Assistance Program	\$ 44,958	\$ 23,492	\$ 21,467	91.4%	\$ 20,049	\$ 24,909	124.2%
Practice Management Resource Center	\$ 1,249	\$ 5,434	\$ (4,185)	(77.0%)	\$ 4,173	\$ (2,924)	(70.1%)
Print and Design	\$ 37,486	\$ 44,784	\$ (7,298)	(16.3%)	\$ 34,156	\$ 3,330	9.7%
Research	\$ 1,066	\$ 11,755	\$ (10,689)	(90.9%)	\$ 2,799	\$ (1,733)	(61.9%)
Total - Division 2	\$ 1,504,236	\$ 1,712,817	\$ (208,581)	(12.2%)	\$ 1,315,379	\$ 188,857	14.4%
Division 3							
Administration	\$ 66,961	\$ 81,449	\$ (14,488)	(17.8%)	\$ 95,672	\$ (28,711)	(30.0%)
Board of Commissioners	\$ 55,754	\$ 100,464	\$ (44,710)	(44.5%)	\$ 36,372	\$ 19,382	53.3%
Executive Office	\$ 34,812	\$ 51,576	\$ (16,765)	(32.5%)	\$ 20,374	\$ 14,438	70.9%
General Counsel	\$ 3,774	\$ 34,832	\$ (31,057)	(89.2%)	\$ 21,622	\$ (17,848)	(82.5%)
Governmental Relations	\$ 62,599	\$ 60,320	\$ 2,279	3.8%	\$ 58,325	\$ 4,274	7.3%
Representative Assembly	\$ 21,946	\$ 27,750	\$ (5,804)	(20.9%)	\$ 17,441	\$ 4,505	25.8%
Human Resources							
Payroll Taxes	\$ 393,387	\$ 417,032	\$ (23,644)	(5.7%)	\$ 375,062	\$ 18,325	4.9%
Benefits	\$ 1,419,530	\$ 1,517,140	\$ (97,610)	(6.4%)	\$ 1,424,073	\$ (4,543)	(0.3%)
Human Resources - Other	\$ 66,157	\$ 69,672	\$ (3,515)	(5.0%)	\$ 51,097	\$ 15,060	29.5%
Total Human Resources	\$ 1,879,074	\$ 2,003,843	\$ (124,769)	(6.2%)	\$ 1,850,232	\$ 28,842	1.6%
Finance							
Finance	\$ 425,704	\$ 453,790	\$ (28,086)	(6.2%)	\$ 351,290	\$ 74,414	21.2%
Depreciation	\$ 359,498	\$ 375,827	\$ (16,329)	(4.3%)	\$ 334,202	\$ 25,296	7.6%
Total Finance	\$ 785,202	\$ 829,617	\$ (44,415)	(5.4%)	\$ 685,493	\$ 99,710	14.5%
Total - Division 3	\$ 2,910,122	\$ 3,189,851	\$ (279,728)	(8.8%)	\$ 2,785,531	\$ 124,591	4.5%

Financial Row	Actual (Oct 2024 - Jul 2025)	Budget YTD (Oct 2024 - Jul 2025)	Budget Variance	Budget Variance %	Last YTD Actuals (Oct 2023 - Jul 2024)	Actuals Variance	Actuals Variance %
Salaries	\$ 5,338,008	\$ 5,375,413	\$ (37,405)	(0.7%)	\$ 5,072,675	\$ 265,333	5.2%
Total Operating Expenses	\$ 10,089,066	\$ 10,709,317	\$ (620,251)	(5.8%)	\$ 9,468,961	\$ 620,105	6.5%
Net Operating Income (Loss)	\$ 677,006	\$ (176,193)	\$ 853,198	(484.2%)	\$ 1,461,225	\$ (784,220)	(53.7%)
Non Operating Revenue (Expense)							
Investment Income	\$ 639,056	\$ 566,667	\$ 72,389	12.8%	\$ 681,665	\$ (42,609)	(6.3%)
Non-Operating Expenses	\$ (4,466)	\$ -	\$ (4,466)	0.0%	\$ (16,406)	\$ 11,940	(72.8%)
Investment Income - Retiree HC Trust (Net)	\$ 268,302	\$ -	\$ 268,302	0.0%	\$ 611,862	\$ (343,560)	(56.1%)
Total Non Operating Revenue (Expense)	\$ 902,892	\$ 566,667	\$ 336,225	59.3%	\$ 1,277,121	\$ (374,229)	(29.3%)
Increase (Decrease) in Net Assets	\$ 1,579,898	\$ 390,474	\$ 1,189,424	304.6%	\$ 2,738,346	\$ (1,158,448)	(42.3%)

**State Bar of Michigan
Administrative Fund
FY 2025 Capital Expenditures vs Budget
For the Ten Months Ending July 31, 2025**

FACILITIES, FURNITURE & OFFICE EQUIPMENT	FY 2025 Actual	FY 2025 Budget	Comments	Actual to Budget Variance
Installation of Fiber-optic Cable	18,786	\$ 15,400		\$ 3,386
New Postage Machine	-	8,900	Recorded as expense due to higher capitalization limit in FY 2025	(8,900)
Updates to the AC in the Server Room	-	40,000		(40,000)
TOTAL FACILITIES, FURNITURE & OFFICE EQUIPMENT	\$ 18,786	\$ 64,300		\$ (45,514)
INFORMATION TECHNOLOGY				
Application and Software Development:				
Receivership /Interim Administrator Program Data Portal	\$ 38,280	\$ 31,600		\$ 6,680
E-commerce Store	3,190	10,000		(6,810)
E-commerce Events	41,470	32,460		9,010
E-commerce License Fee Updates	66,990	40,600		26,390
e-Services Application to Court e-Filing (mi-File)	-	20,000		(20,000)
Firm Administration and Billing	-	11,000		(11,000)
Website Functionality Enhancements	15,950	12,680		3,270
Character & Fitness Module	19,140	34,800		(15,660)
Volunteer Application Updates	3,190	19,140		(15,950)
Consumer Portal (LRS)	3,190	17,400		(14,210)
TOTAL INFORMATION TECHNOLOGY	\$ 191,400	\$ 229,680		\$ (38,280)
TOTAL CAPITAL EXPENDITURES BUDGET	\$ 210,186	\$ 293,980		\$ (83,794)

**STATE BAR OF MICHIGAN
CLIENT PROTECTION FUND**

Unaudited and For Internal Use Only

**FINANCIAL REPORTS
July 31, 2025**

FY 2025

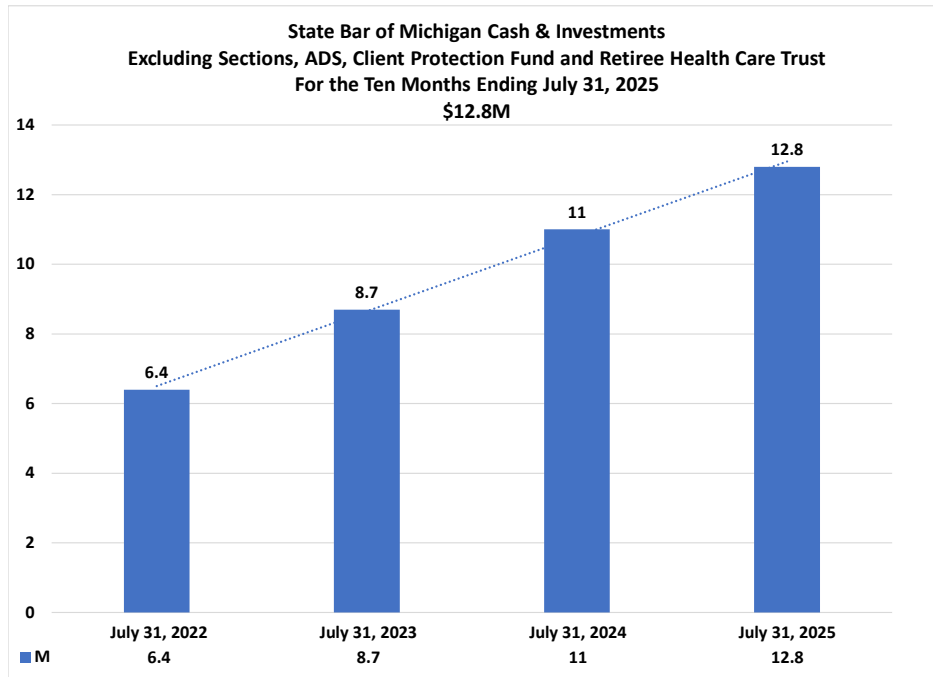
Note: License fee revenue is recognized
and budgeted as earned each month
throughout the year.

Client Protection Fund
Comparative Statement of Net Assets
July 31, 2025

Financial Row	As of Jul 2025	As of Jun 2025	Variance	Variance %	As of Sep 2024
Assets					
Cash-Checking	\$ 26,051	\$ 36,915	\$ (10,863)	(29.4%)	\$ 39,304
Savings	\$ 54,557	\$ 54,115	\$ 442	0.8%	\$ 122,485
Investments	\$ 3,255,346	\$ 3,616,189	\$ (360,843)	(10.0%)	\$ 3,500,195
Account Receivable	\$ 19,680	\$ 20,790	\$ (1,110)	(5.3%)	\$ 2,937
Due (To) From SBM	\$ 503	\$ 559	\$ (56)	(10.1%)	\$ (65,075)
Total Assets	\$ 3,356,137	\$ 3,728,567	\$ (372,431)	(10.0%)	\$ 3,599,846
Liabilities and Fund Balance					
Liabilities					
Claims Payable	\$ 12,881	\$ 360,978	\$ (348,097)	(96.4%)	\$ 349,853
Deferred Revenue	\$ 115,126	\$ 166,256	\$ (51,131)	(30.8%)	\$ 124,365
Total Liabilities	\$ 128,006	\$ 527,234	\$ (399,228)	(75.7%)	\$ 474,218
Fund Balance Beginning of Year	\$ 3,125,627	\$ 3,125,627	\$ -	0.0%	\$ 2,521,994
Net Income (Expense) Year to Date	\$ 102,503	\$ 75,706	\$ 26,797	35.4%	\$ 603,634
Total Fund Balance	\$ 3,228,130	\$ 3,201,333	\$ 26,797	0.8%	\$ 3,125,627
Total Liabilities and Fund Balance	\$ 3,356,137	\$ 3,728,567	\$ (372,431)	(10.0%)	\$ 3,599,846

**Client Protection Fund
Income Statement
July 31, 2025**

Financial Row	CY (Oct 2024 - Jul 2025)	PY (Oct 2023 - Jul 2024)	Variance
Income			
40050 - License Fee	\$ 516,480	\$ 527,540	\$ (11,061)
42960 - Claims Recovery (Net of Fees)	\$ 18,012	\$ 70,779	\$ (52,767)
42970 - Contributions Received	\$ 29,082	\$ 94,085	\$ (65,002)
40055 - Pro Hac Vice Fees	\$ 12,465	\$ 12,975	\$ (510)
Total Income	\$576,039	\$705,379	(\$129,339)
Expenses			
65285 - Bank Service Fees	\$ 350	\$ 365	\$ (15)
69060 - SBM Administrative/Service Fees	\$ 219,000	\$ 167,500	\$ 51,500
71005 - Claims Payments	\$ 368,275	\$ 113,669	\$ 254,606
Total Expenses	\$ 587,625	\$ 281,534	\$ 306,091
Investment Income			
49010 - Interest & Dividends	\$ 10,768	\$ 6,767	\$ 4,002
49015 - Gain or Loss on Investment JPM Brokerage	\$ 103,320	\$ 121,582	\$ (18,262)
Total Investment Income	\$ 114,089	\$ 128,349	\$ (14,260)
Increase or Decrease in Net Posisiton	\$ 102,503	\$ 552,193	\$ (449,690)
Net Position, Beginning of Year	\$ 3,125,627	\$ 2,521,994	\$ 603,634
Net Position, End of Period	\$ 3,228,130	\$ 3,074,187	\$ 153,944



As of July 31, 2025, the cash and investment balance in the State Bar Admin Fund net of due to Sections, ADS, Client Protection Fund, and Retiree Health Care Trust was \$12,751,822, an increase of \$908,234 from the beginning of the year primarily due to collection of license fees and other revenues.

Summary of Cash and Investment Balances by Financial Institution

7/31/2025

Assets	Bank Rating	Financial Institution	Amount	Interest Rates
		SBM Chase Checking	\$ 89,762.78	
		SBM Chase Credit Card	\$ 10,782.88	
		SBM Chase E Checking	\$ 1,878.50	
		SBM Chase Payroll	\$ (297.79)	
		ADS Chase Checking	\$ 34,513.28	
		ADS Chase Petty Cash	\$ 3,624.15	
		CPF Chase Checking	\$ 26,051.32	
\$3.6 Trillion 4 stars		** Chase Total	\$ 166,315.12	
		SBM Horizon Bank Money Market	\$ 9.00	
		SBM Horizon ICS	\$ 541,028.36	3.90%
\$7.6 Billion 4 stars		Horizon Bank Total w/CD	\$ 541,037.36	
		SBM Fifth Third Commercial Now	\$ 4,942.92	0.30%
\$214 Billion 5 stars		Fifth Third Total	\$ 4,942.92	
		MSUFCU Savings	\$ 978.43	
		MSUFCU Checking	\$ 17,038.03	
\$8.2 Billion 4 stars		MSUFCU Total	\$ 18,016.46	
		MSUFCU Total w/CDs	\$ 1,686,834.81	
		CASE Cr Un	\$ 5.00	
\$402 Millior 5 stars		CASE Cr Un Total w/CD	\$ 59,267.04	
		Grand River Bank	\$ -	
\$516 Millior 3.5 Stars		Grand River Bank Total w/CD	\$ 250,000.00	
		MI Schools & Govt Cr Un	\$ 5.00	
\$4 Billion 5 Stars		MI Schools & Govt Cr Un w/CD	\$ 750,005.00	
		FNBA	\$ -	
\$6.4 Billion 4 Stars		FNBA Total w/CDs	\$ 960,000.00	
		SBM Flagstar Savings	\$ 2,192.13	3.20%
\$98 Billion 3 stars		Flagstar Total w/CD	\$ 877,192.13	
		SBM Flagstar ICS Checking	\$ 190,200.71	2.80%
		ADS Flagstar ICS Checking Account	\$ 105,718.32	2.80%
		CPF Flagstar ICS Checking	\$ 54,557.00	2.80%
		Flagstar Bank FDIC Insured with CDARs	\$ 1,832,586.00	

Fund Summary	
Client Protection Fund	\$ 3,335,954
State Bar Admin Fund (including Sections)	\$ 15,977,514
Attorney Discipline System	\$ 4,718,026
SBM - Retiree Health Care Trust	\$ 4,874,563
ADB - Retiree Health Care Trust	\$ 1,657,322
AGC - Retiree Health Care Trust	\$ 5,007,557
Total	\$ 35,570,936

State Bar Admin Fund Summary

Cash and Investments	\$ 15,977,514
Less:	
Due (to)/from Sections	\$ (3,252,100)
Due (to)/from ADS	\$ 26,910
Due (to)/from CPF	\$ (503)
Due to Sections and CPF	\$ (3,225,693)
Net Administrative Fund	\$ 12,751,821
SBM Average Weighted Yield:	4.18%
ADS Average Weighted Yield:	4.00%
CPF Average Weighted Yield:	4.01%

Notes:

- All amounts are based on reconciled book balance and interest rates as of 07/31/2025.
- Actual unreconciled Chase balance per statements was \$245,621.99(**).
- Funds held in bank accounts are FDIC insured up to \$250,000 per bank.
- ICS and CDARS are invested in multiple banks up to the FDIC limit for each bank and are FDIC insured.
- Bank star rating from Bauer Financial.
- Average weighted yields exclude retiree health care trusts.
- Funds held in SBM Entities Trust with Schwab are invested in Tbills and government money market funds (23%), bond mutual funds (20%), and equity mutual funds (57%). Not FDIC insured.

Asset size & ratings from Bauer Financial were updated on 07/10/25.

SBM US Treasuries & Gov Money Market	Amount	Interest Rates	Maturity
MG9 \$	549,608.74	4.26%	08/07/25
PN1 \$	369,427.98	4.23%	08/14/25
FE6 \$	599,677.07	4.25%	08/15/25
4Z0 \$	649,101.04	4.28%	08/31/25
FK2 \$	249,818.12	4.23%	09/15/25
MS3 \$	248,170.53	4.07%	10/02/25
MS3 \$	248,170.53	4.14%	10/02/25
NA1 \$	395,760.50	4.16%	10/30/25
NA1 \$	197,880.26	4.22%	10/30/25
NA1 \$	395,760.50	4.26%	10/30/25
QQ3 \$	369,465.37	4.20%	11/13/25
NL7 \$	433,872.91	4.19%	11/28/25
BH3 \$	755,983.57	4.20%	01/31/26
6A3 \$	545,363.67	4.18%	01/31/26
KB6 \$	589,934.12	4.63%	02/28/26
HBO \$	366,348.31	4.17%	05/15/26
KS9 \$	276,364.26	4.93%	05/31/26
LB5 \$	500,890.63	4.30%	07/31/26
LP4 \$	421,912.11	3.89%	09/30/26
LS8 \$	569,955.47	4.10%	10/31/26
NE7 \$	249,570.31	3.89%	05/31/27
UG Gov MM Fund \$	590,761.69	3.88%	
SBM US Treasuries & Gov Money Market Total	\$ 9,573,797.69		-

CPF US Treasuries & Gov Money Market	Amount	Interest Rates	Maturity
PP6 \$	299,284.00	4.21%	08/21/25
5C0 \$	299,414.06	4.21%	09/30/25
NL7 \$	246,518.70	4.21%	11/28/25
QN0 \$	242,019.61	4.06%	05/14/26
QX8 \$	144,794.14	4.07%	06/11/26
LB5 \$	350,623.44	4.30%	07/31/26
NE7 \$	798,625.00	3.95%	05/31/27
NL1 \$	249,062.50	3.95%	06/30/27
US Gov MM Fund - GXX \$	325,004.63	3.73%	
CPF US Treasuries & Gov Money Market Total	\$ 2,955,346.08		

ADS US Treasuries & Gov Money Market	Amount	Interest Rates	Maturity
MG9 \$	339,758.13	4.30%	08/07/25
K74 \$	99,903.64	4.16%	08/15/25
PP6 \$	498,806.67	4.21%	08/21/25
MH7 \$	547,778.34	3.93%	09/04/25
MS3 \$	148,902.32	4.06%	10/02/25
NA1 \$	173,145.22	4.16%	10/30/25
NL7 \$	212,006.08	4.18%	11/28/25
QN0 \$	304,944.71	4.06%	05/14/26
LB5 \$	330,587.81	3.98%	07/31/26
LP4 \$	198,546.88	3.89%	09/30/26
LS8 \$	199,984.38	4.10%	10/31/26
NE7 \$	249,570.31	3.95%	05/21/27
UG Gov MM Fund \$	1,070,235.42	3.88%	
ADS US Treasuries & Gov Money Market Total	\$ 4,374,169.91		

US Treasuries & Gov Money Market Total \$ **16,903,313.68** -
(not FDIC insured)

CDARS				
Financial Institution	Amount	Interest Rates	Maturity	
SBM Flagstar CDARS	\$ 450,000.00	4.00%	09/25/25	
SBM Flagstar CDARS	\$ 732,109.97	4.10%	02/05/26	
CPF Flagstar CDARS	\$ 100,000.00	4.00%	09/25/25	
ADS Flagstar CDARS	\$ 200,000.00	4.00%	09/25/25	
CDARS Total	\$ 1,482,109.97			

CDs				
Financial Institution	Amount	Interest Rates	Maturity	
SBM-CD MSU Federal Credit Union	\$ 550,000.00	4.50%	08/02/25	
SBM-Grand River	\$ 250,000.00	4.50%	09/20/25	
MI Schools & Govt Cr Un	\$ 500,000.00	4.50%	10/16/2025	
MI Schools & Govt Cr Un	\$ 250,000.00	4.50%	10/24/2025	
SBM-FNBA	\$ 250,000.00	4.52%	10/29/25	
SBM-FNBA	\$ 210,000.00	4.52%	10/29/25	
SBM-Flagstar	\$ 250,000.00	4.20%	02/17/26	
CPF-Flagstar	\$ 200,000.00	4.20%	02/17/26	
SBM-Flagstar	\$ 425,000.00	4.20%	02/18/26	
SBM-CD MSU Federal Credit Union	\$ 282,542.51	4.00%	6/2/2026	
SBM-CD MSU Federal Credit Union	\$ 282,542.51	4.00%	6/2/2026	
SBM-CD MSU Federal Credit Union	\$ 282,542.51	4.00%	6/2/2026	
SBM-CD MSU Federal Credit Union	\$ 271,190.82	4.00%	6/2/2026	
SBM-FNBA	\$ 250,000.00	4.29%	10/31/26	
SBM-FNBA	\$ 250,000.00	4.29%	10/31/26	
SBM-CASE Cr Un	\$ 59,262.04	3.50%	07/08/27	
CDs Total	\$ 4,563,080.39			

Total Cash & Investments \$ 24,031,494.06

Total Amount of Cash and Investments not FDIC-insured \$ 20,468,382.98 85.2%
(includes Tbills and Gov MM held at JPM)

SBM Entities Retiree Healthcare Trust (Schwab)

SBM - Ret Healthcare Trust	\$ 4,874,562.94
ADB - Ret Healthcare Trust	\$ 1,657,321.65
AGC - Ret Healthcare Trust	\$ 5,007,557.04
SBM Entities Retiree Healthcare Trust Total	\$ 11,539,441.63

Total Investments \$ 35,570,935.69

Monthly SBM Attorney and Affiliate Report - July 31, 2025

FY 2025

	September 30 2018	September 30 2019	September 30 2020	September 30 2021	September 30 2022	September 30 2023	September 30 2024	July 31 2025	FY Increase (Decrease)
Attorneys and Affiliates in Good Standing									
Active	42,342	42,506	42,401	42,393	42,395	41,985	41,427	41,464	37
Less than 50 yrs serv	40,973	41,036	40,559	40,504	40,680	40,115	39,399	39,229	(170)
50 yrs or greater	1,369	1,470	1,842	1,889	1,715	1,870	2,028	2,235	207
Voluntary Inactive	1,169	1,139	1,192	1,097	1,072	1,106	1,262	1,221	(41)
Less than 50 yrs serv	1,142	1,105	1,149	1,055	1,030	1,059	1,217	1,178	(39)
50 yrs or greater	27	34	43	42	42	47	45	43	(2)
Emeritus	2,204	2,447	2,727	3,033	3,306	3,733	4,245	4,540	295
Total Attorneys in Good Standing	45,715	46,092	46,320	46,523	46,773	46,824	46,934	47,225	291
Fee-paying Attorneys (Active & Inactive less than 50 yrs of Serv)	42,115	42,141	41,708	41,559	41,710	41,174	40,616	40,407	(209)
Affiliates									
Legal Administrators	10	10	8	5	2	2	4	4	-
Legal Assistants	401	393	317	219	214	194	195	220	25
Total Affiliates in Good Standing	411	403	325	224	216	196	199	224	25
Total Attorneys and Former Attorneys in the Database									
State Bar of Michigan Attorney and Affiliate Type	September 30 2018	September 30 2019	September 30 2020	September 30 2021	September 30 2022	September 30 2023	September 30 2024	July 31 2025	FY Increase (Decrease)
Attorneys in Good Standing:							(558)		
ATA (Active)	42,342	42,506	42,401	42,393	42,395	41,985	41,427	41,464	37
ATVI (Voluntary Inactive)	1,169	1,139	1,192	1,097	1,072	1,106	1,262	1,221	(41)
ATE (Emeritus)	2,204	2,447	2,727	3,033	3,306	3,733	4,245	4,540	295
Total Attorneys in Good Standing	45,715	46,092	46,320	46,523	46,773	46,824	46,934	47,225	291
Attorneys Not in Good Standing:									
ATN (Suspended for Non-Payment of Dues)	6,072	6,246	6,416	6,472	6,588	6,824	7,065	7,178	113
ATDS (Discipline Suspension - Active)	439	440	445	449	454	456	466	474	8
ATDI (Discipline Suspension - Inactive)	19	24	25	25	25	25	27	28	1
ATDC (Discipline Suspension - Non-Payment of Court Costs)	15	16	16	14	14	15	15	16	1
ATNS (Discipline Suspension - Non-Payment of Other Costs)	95	98	100	102	106	104	111	110	(1)
ATS (Attorney Suspension - Other)*	1	1	2	-	-	-	-	-	-
ATR (Revoked)	583	596	613	623	634	645	647	658	11
ATU (Status Unknown - Last known status was inactive)**	2,070	2,070	2,070	2,070	2,047	2,047	2,047	2,047	-
Total Attorneys Not in Good Standing	9,294	9,491	9,687	9,755	9,868	10,116	10,378	10,511	133
Other:									
ATSC (Former special certificate)	155	157	158	164	167	170	173	173	-
ATW (Resigned)	1,689	1,798	1,907	2,036	2,143	2,282	2,428	2,563	135
ATX (Deceased)	9,287	9,524	9,793	10,260	10,664	10,958	11,212	11,547	335
Total Other	11,131	11,479	11,858	12,460	12,974	13,410	13,813	14,283	470
Total Attorneys in Database	66,140	67,062	67,865	68,738	69,615	70,350	71,125	72,019	894

* 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 attorneys who were found not to be accounted for in the IMIS database
The last known status was inactive and many are likely deceased. We are researching these attorneys to determine a final disposition.

N/R - not reported

Notes: Through July 31, 2025 a total of 895 new attorneys joined SBM, compared to 741 new attorneys who joined SBM through July 31, 2024.

Memorandum

To: State Bar of Michigan Board of Commissioners

From: Joseph P. McGill, Chair
Executive Committee

RE: State Bar of Michigan's (SBM) Recommendation for Appointment to the
Institute of Continuing Legal Education (ICLE) Executive Committee and
Michigan Indian Legal Services (MILS) Board of Trustees

Date: September 19, 2025

The Executive Committee met on September 4, 2025, to review and discuss the applications that were received for the State Bar of Michigan's appointments to the ICLE Executive Committee and MILS Board of Trustees. There is one vacancy on the ICLE Executive Committee and two vacancies on the MILS Board of Trustees.

The Executive Committee recommends to the SBM Board of Commissioners the appointment of **Ryan M. Kelly** to the ICLE Executive Committee to serve a four-year term commencing October 1, 2025.

The Executive Committee recommends to the SBM Board of Commissioners the re-appointment of **Stanette J. Amy** and **Zachary W. Fallstich** to the MILS Board of Trustees to serve three-year terms commencing October 1, 2025.

CALENDAR
STATE BAR OF MICHIGAN REPRESENTATIVE ASSEMBLY
Friday, September 19, 2025
2:30 p.m. to 4:45 p.m.
(Detroit Marriott Troy / 200 W. Big Beaver Rd. / Troy, MI / 48084)

*Denotes Action Items

2:30 p.m. MEETING BEGINS

- 2:30 p.m. 1. Introductory Matters
 A. Call to order by Chair John W. Reiser, III with Parliamentarian Judge John M. Chmura

 Mr. John W. Reiser, III, Chair, Representative Assembly
 [Ann Arbor City Attorney's Office, 301 E. Huron St., Fl. 3, Ann Arbor, MI 48104
 phone: (734) 794-6184; email: jreiser@a2gov.org]

 Judge John M. Chmura, Parliamentarian
 [37th District Court, 8300 Common Rd., #104, Warren, MI 48093
 phone: (586) 574-4925; email: jchmura@37thdistrictcourt.org]

 B. Certification that a quorum is present
 Ms. Alena M. Clark, Clerk, Representative Assembly
 [Michigan Public Service Commission, 7109 W. Saginaw Hwy., Fl. 3, Lansing, MI 48917]

 C. Adoption of proposed calendar
 Ms. Mary A. Bowen, Chair, Rules & Calendar Committee
 [Michigan Attorney Grievance Commission, 755 W. Big Beaver Rd., Ste. 2100, Troy, MI 48084 / phone: (313) 961-6585; email: mabowen@agcmi.com]

 D. Approval of the April 26, 2025 Summary of Proceedings
 Ms. Mary A. Bowen, Chair, Rules & Calendar Committee
 [Michigan Attorney Grievance Commission, 755 W. Big Beaver Rd., Ste. 2100, Troy, MI 48084 / phone: (313) 961-6585; email: mabowen@agcmi.com]

2:30 p.m. 2. *Filling Vacancies
 Judge Kristina Robinson Garrett, Chair, Nominating & Awards Committee
 [Court of Appeals – District 1, 3020 W. Grand Blvd., Ste. 14-300, Detroit, MI 48202
 phone: (313) 972-5756; email: kgarrett@courts.mi.gov]

2:35 p.m. 3. Presentation of the Unsung Hero Award to Kamau Wendel Allan Sandiford
 Presenter:
 Professor Tracey W. Brame
 [Associate Dean of Experiential Learning & Practice Preparation, Cooley Law School, 300 S. Capitol Ave., Lansing, MI 48933, 230 Elizabeth Lake Rd., Pontiac, MI 48341
 phone: (517) 371-5140; email: bramet@cooley.edu]

2:45 p.m. 4. Presentation of the Michael Franck Award to Janet K. Welch
 Presenter:
 Mr. Gerard V. Mantese
 [Mantese Honigman, PC, 1361 E. Big Beaver Rd., Troy, MI 48083
 phone: (248) 457-9200; email: gmantese@manteselaw.com]

- 2:55 p.m. 5. *Legal Deserts Workgroup Recommendations & Strategies for Consideration
 Workgroup Co-Chairs:
 Ms. Suzanne C. Larsen, Member, Board of Commissioners
 [City of Marquette, 300 W. Baraga Ave., Marquette, MI 49855
 phone: (906) 225-8563; email: slarsen@marquettemi.gov]
- Mr. John W. Reiser, III, Chair, Representative Assembly
 [Ann Arbor City Attorney's Office, 301 E. Huron St., Fl. 3, Ann Arbor, MI 48104
 phone: (734) 794-6184; email: jreiser@a2gov.org]
- 2:55 p.m. *Keller-Permissibility vote*
- 3:00 p.m. Sub-Workgroup 1 (Expanding Attorney Pathways for Legal
 Deserts) Co-Chairs:
 Ms. Kristina A. Bilowus
 [MSU College of Law, 648 N. Shaw Ln., Ste. 301, East
 Lansing, MI 48824
 phone: (517) 432-6982; email: bilowuskristina@law.msu.edu]
- Mr. Philip L. Strom
 [City of Grand Rapids, 300 Monroe Ave. NW, Unit 1, Grand
 Rapids, MI 49503
 phone: (616) 456-4000; email: pstrom@grand-rapids.mi.us]
- 3:15 p.m. Sub-Workgroup 2 (Leveraging Technology for Broader
 Access) Co-Chairs:
 Ms. Nicole A. Evans
 [54B District Court, 101 Linden St., East Lansing, MI 48823
 phone: (517) 336-8636; email: nevans@54Bdistrictcourt.com]
- Judge Christopher S. Ninomiya
 [41st Circuit Court, P.O. Box 609, Iron Mountain, MI 49801
 phone: (906) 774-2266; email: cn@dickinsoncountymi.gov]
- 3:30 p.m. Sub-Workgroup 3 (Enhancing Access to Physical Courthouses)
 Co-Chairs:
 Ms. Syeda F. Davidson
 [ACLU of Michigan, 2966 Woodward Ave., Detroit, MI 48201
 phone: (313) 578-6814; email: sdavidson@aclumich.org]
- Mr. David E. Gilbert
 [Calhoun County Prosecutor's Office, 161 E. Michigan Ave.,
 Battle Creek, MI 49014
 phone: (269) 969-6980; email: dgilbert@calhouncountymi.gov]
- 3:45 p.m. 6. *Proposal to Amend MRPC 1.10
 Proponent:
 Edward J. Hood, Chair, Professional Ethics Committee
 [Clark Hill, PLC, 500 Woodward Ave. Ste. 3500, Detroit, MI 48226
 phone: (313) 965-8591; email: ehoo@clarkhill.com]

- 4:00 p.m. 7. *Proposal to Amend MRPC 4.4
Proponent:
Edward J. Hood, Chair, Professional Ethics Committee
[Clark Hill, PLC, 500 Woodward Ave. Ste. 3500, Detroit, MI 48226
phone: (313) 965-8591; email: ehoo@clarkhill.com]
- 4:20 p.m. 8. *Nomination and Election of Assembly Clerk
- 4:35 p.m. 9. Recognition of Assembly members completing their terms of service and Committee Chairs.
Mr. John W. Reiser, III, Chair, Representative Assembly
[Ann Arbor City Attorney's Office, 301 E. Huron St., Fl. 3, Ann Arbor, MI 48104
phone: (734) 794-6184; email: jreiser@a2gov.org]
- 4:40 p.m. 10. Swearing in of Nicole A. Evans as the 2025-2026 Chairperson of the Representative Assembly.
Nicole A. Evans will be sworn in by Judge Kristina Robinson Garrett.
[Court of Appeals, 3020 W. Grand Blvd., Ste. 14-300, Detroit, MI 48202]
- 4:45 p.m. 11. Presentation of Recognition to the Immediate Past Assembly Chair and Adjournment.



To: Board of Commissioners

From: Robin Eagleson, Director of Lawyer Services

Date: September 19, 2025

Re: Partner Program: Smokeball Trust Accounting Management & Free Billing Software
Smokeball Member Benefit Program

Recommendation:

The Strategic Planning and Engagement Committee voted to approve and recommend Smokeball as a potential preferred partner program of the State Bar of Michigan on September 3, 2025 pending a contract review by General Counsel. The following are the staff recommendations based on the SPEC's recommendation regarding both programs offered by Smokeball:

- Staff recommend that the Committee approve the partner program with no residual payments based on the fact that the partner provides free trust accounting software to all members. If the Committee determines to approve the program without residual payments, it is recommended that the Strategic Planning and Engagement Committee recommend for approval that the free Smokeball Bill partner program (Option #1) become a partner program of the State Bar of Michigan to the Board of Commissioners pending a contract review by General Counsel.
- It is recommended that the Strategic Planning and Engagement Committee recommend for approval that the Smokeball member benefit program (Option #2) become a partner program of the State Bar of Michigan to the Board of Commissioners pending a contract review by General Counsel. Please note that acceptance of a member benefit partnership between Smokeball and SBM is contingent on first executing a free Smokeball Bill partnership with SBM.

Historical Information:

September 3, 2025 Update: Following the last July SPEC meeting, Director of Lawyer Services and the Director of Communications had a conversation with Smokeball. We came to a negotiated agreement regarding the marketing portion of the contract.

September 3, 2025 Updated Recommendation:

The following are the staff recommendations regarding both programs offered by Smokeball:

- Staff recommend that the Committee approve the partner program with no residual payments based on the fact that the partner provides free trust accounting software to all members. If the Committee determines to approve the program without residual payments, it is recommended that the Strategic Planning and Engagement Committee recommend for approval that the free Smokeball Bill partner program (Option #1) become a partner program of the State Bar of Michigan to the Board of Commissioners pending a contract review by General Counsel.
- It is recommended that the Strategic Planning and Engagement Committee recommend for approval that the Smokeball member benefit program (Option #2) become a partner program of the State Bar of Michigan to the Board of Commissioners pending a contract review by General Counsel. Please note that acceptance of a member benefit partnership between Smokeball and SBM is contingent on first executing a free Smokeball Bill partnership with SBM.

July 15, 2025 Update: Following the last April SPEC meeting, further conversations were had with Smokeball to continue negotiations. We were able to receive some numbers from mandatory Bars, but the following information was provided on the agreement of confidentiality and of the State Bars for the following information not to be shared with anyone outside the State Bar of Michigan and the Board of Commissioners. The below information is as of May 1, 2025:

Alabama State Bar:

- Launch Date: September 23, 2024
- Total Membership Size: 20,114 total members
- # of Free Bill Signups: 292 firms (equals 1.45% of membership signed up so far)
- Number of upsells from Bill: 5 deals total have upsold so far, and 8 deals as of today in the pipeline being worked to close

State Bar of Texas:

- Launch Date: June 16, 2024
- Total Membership Size: 113,771 total members
- # of Free Bill Signups: 1,151 firms (equals 1% of membership signed up so far)
- Number of upsells from Bill: 9 deals total have upsold so far, and 23 deals as of today in the pipeline being worked to close

Below is a list of bar associations that have launched the free Smokeball trust accounting software:

1. [State Bar of Texas](#) (mandatory bar): Launched June 2024
2. [Nebraska State Bar Association](#) (voluntary bar): Launched July 2024
3. [Alabama State Bar](#) (mandatory bar): Launched September 2024
4. [Virginia State Bar](#) (mandatory bar): Launched October 2024
5. [California Lawyers Association](#) (voluntary bar): Launched November 2024
6. [Colorado Bar Association](#) (voluntary bar): Launched November 2024
7. [Maryland State Bar Association](#) (voluntary bar): Launched December 2024

8. [New York State Bar Association](#) (voluntary bar): Launched January 2025
9. [Oklahoma Bar Association](#) (mandatory bar): Launched January 2025
10. [D.C. Bar](#) (mandatory bar): Launched February 2025
11. [Minnesota State Bar Association](#) (voluntary bar): Launched March 2025
12. [Louisiana State Bar Association](#) (mandatory bar): Launched March 2025

There is 1 more state bar planning to launch shortly and they are in discussions with 10 other U.S. State Bar associations to provide this offer. The average number of bar membership that has signed up for Smokeball Bill is approximately 1% of all membership per bar on average within six months of launch. It is expected that approximately 1.5%-2% of members will sign up for the free trust accounting offer within the first year of launch depending on active promotion.

Due to this information, further negotiations continued. Below please find a synopsis of the relayed concerns above and the negotiations that followed:

- A one-time flat royalty and the long-term growth in non-dues revenue is troubling especially considering that members will have Smokeball Bill integrated with their internal systems by the end of five years, and it would be difficult to withdraw from the partnership when members have already become affiliated with Smokeball's free billing software. Based on several conversations with Smokeball, the one-time flat royalty is non-negotiable.
 - This remained unchanged in regards to the one-time flat royalty.
- An exclusivity clause for providing the free trust accounting software. The State Bar would be unable to offer any other free trust accounting software from any other vendor. Currently, there are only two other vendors that provide free trust accounting software whom SBM does not partner with. Based on conversations with Smokeball, the exclusivity clause is non-negotiable, but they are open to revising the language to ensure the exclusivity applies only to the free trust accounting software component.
 - This remained unchanged.
- The "favored status" of the contract in its current terms requires SBM to not provide similar or more favorable marketing or promotional support provided to Smokeball and names Smokeball as the sole determination for this assessment. In its current form, this would interfere with current relationships we have with other case management software programs.
 - This provision was removed.
- The termination clause requires a "with cause" reason prior to termination. If the partnership is found not to be conducive for the State Bar of Michigan in terms of revenue, the contract requires continuation for a period of five (5) years with automatic yearly renewal. Negotiation should commence to change the termination clause to "without cause" for a period of five (5) years or "with cause" for a period of two (2) years and then "without cause" for annual renewal.
 - This provision was changed to allow termination with or without cause even within the initial five (5) year term
- Communications have expressed concerns regarding the marketing portion of the contract that will require further negotiation.
 - This requires further discussion with Communications.

July 15, 2025 Updated Recommendation:

Concern: The royalty to the State Bar will only be for a one-time fee.

The following are the staff recommendations regarding both programs offered by Smokeball:

- Staff recommend that the Committee determine whether the partner program should move forward with no residual payments based on the fact that the partner is providing a free trust accounting software. If the Committee determines to approve the program without residual payments, it is recommended that the Strategic Planning and Engagement Committee recommend for approval that the free Smokeball Bill partner program (Option #1) become a partner program of the State Bar of Michigan to the Board of Commissioners pending a marketing review by Communications and a contract review by General Counsel.
 - If the Committee determines that the program must provide residual payments, Staff recommend that the Committee not approve the partner program due to the lack of residual payments. Smokeball has made it clear that this is a non-negotiable point.
- It is recommended that the Strategic Planning and Engagement Committee recommend for approval that the Smokeball member benefit program (Option #2) become a partner program of the State Bar of Michigan to the Board of Commissioners pending a marketing review by Communications and a contract review by General Counsel. Please note that acceptance of a member benefit partnership between Smokeball and SBM is contingent on first executing a free Smokeball Bill partnership with SBM.

Background from Previous Discussion:

The State Bar of Michigan has been in continuous conversations with legal software Smokeball as a potential partnership program for their free billing software, Smokeball Bill, and their case management software that includes three tiers. The following provides a summary of the potential partnership¹ for an initial term of five (5) years:

Trust Accounting Partner Agreement between Smokeball and SBM:

Option #1:

- Free billing software to all members of the State Bar of Michigan through Smokeball Bill, which provides trust accounting, billing, time and expense, invoice templates, accounts receivable, and payments.
 - Smokeball would not interfere with royalties received from our preferred partners LawPay or CardConnect and those royalties would continue as currently being received.
 - Exclusivity clause that the State Bar of Michigan will not provide any other **free** billing service to its members.

¹ Please note prior to receiving the program information, SBM was required to sign an NDA, but this information was allowed to be provided to decision makers.

- Availability of three (3) tiers of practice management software (Boost, Grow, and Prosper +) and provide SBM with a flat one-time, 5% royalty on upgrades based on the total contract value of any first-time Smokeball subscription plan upgrades by SBM members.

Option #2:

- SBM pays Smokeball 15% of the cost of providing free Smokeball Bill subscriptions (\$7.35 per user/month) to SBM members.²
 - Royalties from preferred partners LawPay or CardConnect would continue to be received by SBM.
 - Exclusivity clause that the State Bar of Michigan will not provide any other **free** billing service to its members.
- SBM receives a flat one-time 10% royalty on upgrades to a paid subscription to one of the three tiers (Boost, Grow, and Prosper +).

An initial 5-year exclusive agreement with an automatic yearly renewal afterwards to provide its free trust accounting software, Smokeball Bill, to SBM members. Exclusivity only relates to the free Smokeball Bill segment of the software.

Member Benefit Agreement with SBM:

Smokeball is further offering a member benefit program that would provide a 10% discount to SBM members and SBM would receive a 15% royalty for those members who sign up for one of the three (3) tiers. The initial term of contract would be for two (2) years with an automatic yearly renewal. This discount will not apply to the Smokeball Bill subscription plan purchases.

Smokeball has approximately 21-member benefit association partners across the United States and has had an established member benefit program in existence for over 10 years.

Discussion with Other States:

Through my research, I also have spoken with Nebraska and Texas regarding their experiences with Smokeball. Due to their NDAs, I was not able to receive specific feedback as to the return they were receiving or specifics of their contracts.

- Feedback from Nebraska: Smokeball representatives think outside the box and continue to send updates, statistical data, and webinars for the membership, so the Bar is constantly aware of how they are doing. Stated “they are great to work with.”
 - Smokeball considers sponsorship for their events.
 - Royalty returns are good, but they were unable to provide specific information. However, within the first 6 months, approximately 60 members signed up for the Smokeball Bill platform.
 - When asked about long-term returns, they stated that the Bar will get to that when they come across that issue and may require a new contract or deletion of the program if long-term returns are not received.

² The subscription is \$49 per user/month requiring Smokeball to pay \$41.65 per user/month.

- Seeing a steady stream of revenue even short-term is good.
 - Nebraska uses a Law Practice Management Advisor out of San Diego they contract with for tech guidance who does recommend Smokeball.
- Feedback from Texas: Smokeball was offered as a member benefit for 2-3 years prior to instituting the Smokeball Bill program, which started in June 2024. Have had a great relationship with Smokeball and they have been wonderful to work with. Smokeball is very receptive to members even through their Bill program.
 - Exclusivity clause only applies to the free trust accounting software.
 - Members have relayed they are happy with Smokeball. They find it easy to work with and the product is good.
 - Unable to speak to their royalty schedule due to NDA but are happy with their royalty returns.
 - Smokeball has purchased ads separately for standalone advertising.
 - Receive monthly reports from Smokeball (note: partner programs are regularly reported to their Board at each meeting so monthly reports are paramount).
- Attempts were made to discuss Smokeball with Florida but only received communication confirming that Smokeball was a partner program, but they were unable to share further specifics. Smokeball is a member benefit program only at this time.

At the recent ABA Tech Show, additional discussions were held with several other states including Alabama and Oklahoma. Due to the NDAs, they were unable to provide additional details regarding their partnership with Smokeball. However, each state echoed the sentiments of Nebraska and Texas.

State Bar Associations Exclusively Offering Smokeball Bill:

Mandatory Bars:

1. State Bar of Texas
2. Alabama State Bar
3. Virginia State Bar
4. Oklahoma Bar Association
5. D.C. Bar
6. Louisiana State Bar Association

Voluntary Bars:

1. Nebraska State Bar Association
2. California Lawyers Association
3. Colorado Bar Association
4. Maryland State Bar Association
5. New York State Bar Association
6. Minnesota State Bar Association

One additional state bar is planned to launch in mid-April and Smokeball is in current discussions with about 10 other U.S. state bar associations. Per Smokeball, about 1% of all membership per bar on average has signed up for the free Smokeball Bill offer within 6 months of launch. It is expected around 1.5%-2% of members to sign-up for the offer within the first year of launch depending on active promotion of the offer through the marketing plan.³

Smokeball is recommended for solo to medium sized firms. Currently, the State Bar of Michigan partners with CLIO, Practice Panther, MyCase, and RocketMatter (this includes CosmoLex and TimeSolv). Each case management software program offers a 10% discount to our members with the exception of Practice Panther, which offers a 15% discount. In reviewing other state bar associations, the average number of case management software programs that are advertised range from five (5) to eight (8) different programs.

Concerns: There are several proposed contract terms in the Free Smokeball Bill proposal that are concerning and some of those terms would require negotiation prior to finalizing the agreement. Those concerns are as follows:

- A one-time flat royalty and the long-term growth in non-dues revenue is troubling especially considering that members will have Smokeball Bill integrated with their internal systems by the end of five years, and it would be difficult to withdraw from the partnership when members have already become affiliated with Smokeball's free billing software. Based on several conversations with Smokeball, the one-time flat royalty is non-negotiable.
- An exclusivity clause for providing the free trust accounting software. The State Bar would be unable to offer any other free trust accounting software from any other vendor. Currently, there are only two other vendors that provide free trust accounting software whom SBM does not partner with. Based on conversations with Smokeball, the exclusivity clause is non-negotiable, but they are open to revising the language to ensure the exclusivity applies only to the free trust accounting software component.
- The "favored status" of the contract in its current terms requires SBM to not provide similar or more favorable marketing or promotional support provided to Smokeball and names Smokeball as the sole determination for this assessment. In its current form, this would interfere with current relationships we have with other case management software programs.
- The termination clause requires a "with cause" reason prior to termination. If the partnership is found not to be conducive for the State Bar of Michigan in terms of revenue, the contract requires continuation for a period of five (5) years with automatic yearly renewal. Negotiation should commence to change the termination clause to "without cause" for a period of five (5) years or "with cause" for a period of two (2) years and then "without cause" for annual renewal.
- Communications have expressed concerns regarding the marketing portion of the contract that will require further negotiation.

SBM has not yet received the contract proposal for the member benefit program but has received highlights of the program.

³ Please see further information on Smokeball at the following: Ambrogio, Bob, [500,000 U.S. Lawyers Now Have Free Access to Trust Software through Bar Partnerships with Smokeball](#), LawSites (February 11, 2025).

Recommendation: The following are the staff recommendations regarding both programs offered by Smokeball:

- It is recommended that the Committee approve the free Smokeball Bill partner program (Option #1) contingent on the above concerns being alleviated, specifically revising the language for the exclusivity clause, the favored status clause, and the termination clause as well as amending the marketing requirements and any other terms found by General Counsel.
- It is recommended that the Committee approve the Smokeball member benefit program contingent on review of the contract and its terms and conditions and on whether the negotiations regarding Smokeball Bill alleviate the concerns as stated. Please note that acceptance of a member benefit partnership between Smokeball and SBM is contingent on first executing a free Smokeball Bill partnership with SBM.

SBM

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