



Board of Commissioners

Agenda and Materials

April 19, 2024

**STATE BAR OF MICHIGAN
BOARD OF COMMISSIONERS
Friday, April 19, 2024
Michael Franck Building
Lansing, MI
AGENDA
9:30 a.m.**

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.....Daniel D. Quick, President

CONSENT AGENDA

2. **Minutes**
 - A. January 19, 2024 Board of Commissioners meeting*
 - B. January 4, 2024 Executive Committee meeting*
 - C. February 22, 2024 Executive Committee*
3. **President’s Activities**.....Daniel D. Quick, President
 - A. Recent Activities*
4. **Executive Director’s Activities**.....Peter Cunningham, Executive Director
 - A. Recent Activities*
5. **Finance**..... Thomas H. Howlett, Chairperson
 - A. FY 2024 Financial Reports through February 2024*
6. **Professional Standards**Erika L. Bryant, Chairperson
 - A. Client Protection Fund Claims*
 - B. Unauthorized Practice of Law Claims**
7. **Public Policy**..... Joseph P. McGill, Chairperson
 - A. Model Criminal Jury Instructions*

LEADERSHIP REPORTS

8. **President’s and Executive Director’s Report**Daniel D. Quick, President
Peter Cunningham, Executive Director
 - A. Licensing Fee Status
 - B. Interim Administrator Program Update
 - C. MSC Commission on Well-Being in the Law
 - D. MSC Diversity Equity and Inclusion Commission
 - E. MSC Justice for All Commission
 - F. Artificial Intelligence Work Group Update
 - G. 2024 SBM Officer Election Materials**
 - H. eJournal Redesign
 - I. Staff Updates
9. **Open Discussion: Challenges & Opportunities for the Profession and Justice System**
 - A. Access to Justice Campaign Update and Increasing Attorney Engagement - Jennifer S. Bentley
10. **Strategic Planning Committee Report**.....Thomas P. Clement, Chairperson
11. **Representative Assembly Report** Yolanda M. Bennett, Chairperson
 - A. April 20, 2023 RA Meeting- Calendar*
12. **Young Lawyers Section Report**..... Tanya N. Cripps-Serra, Chairperson

COMMISSIONER COMMITTEES

13. **Public Policy**..... Joseph P. McGill, Chairperson
 - A. Court Rules**
 - B. Legislation**
14. **Audit** Thomas H. Howlett, Chairperson
15. **Finance**..... Thomas H. Howlett, Chairperson
 - A. Financial Report
16. **Professional Standards**Erika L. Bryant, Chairperson
 - A. ABA House of Delegates Appointments**
17. **Communications and Member Services** Lisa J. Hamameh, Chairperson
 - A. State Bar of Michigan Awards*
 - B. Cummiskey Pro Bono Award*

FOR THE GOOD OF THE PUBLIC AND THE PROFESSION

18. **Comments or questions from Commissioners**
19. **Comments or questions from the public**
20. **Adjournment**

*Materials included with agenda.

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

**STATE BAR OF MICHIGAN
BOARD OF COMMISSIONERS MEETING MINUTES**

President Quick called the meeting to order at 9:39 a.m. on Friday, January 19, 2024, virtually on Zoom. The meeting was also livestreamed on You Tube.

Commissioners present:

Yolanda M. Bennett	Silvia A. Mansoor
Erika L. Bryant, Secretary	Gerard V. Mantese
Aaron V. Burrell	Gerrow D. "Gerry" Mason
Hon. B. Chris Christenson	Joseph P. McGill, President-Elect
Ponce D. Clay	Thomas P. Murray Jr.
Tanya N. Cripps-Serra	Valerie Newman
Robert A. Easterly	Takura N. Nyamfukudza
Nicole A. Evans	Nicholas M. Ohanesian
Sherrice L. Detzler	Hon. David A. Perkins
Hon. Kameshia D. Gant	Colemon Potts
Lisa. J. Hamameh, Vice President	Daniel D. Quick, President
Thomas H. Howlett, Treasurer	John W. Reiser III
Suzanne C. Larsen	Delphia T. Simpson
Joshua Lerner	Danielle Walton
James W. Low	Hon. Erane C. Washington

Commissioners absent:

David C. Anderson	Matthew B. VanDyk
Hon. Kristen D. Simmons	

Guests

Jamie Rabe, Andrews Hooper Pavlik
Jaclyn Symons, Andrews Hooper Pavlik

State Bar staff present on Zoom:

Peter Cunningham, Executive Director
April Alleman, Succession Planning Program Counsel
Drew Baker, General Counsel
Margaret Bossenbery, Executive Coordinator
Nancy Brown, Assistant Executive Director
Alecia Chandler, Professional Responsibility Programs Director
Tatiana Goodkin, Chief Financial Officer
Molly Ranns, Director, Lawyers & Judges Assistance Program
Carrie Sharlow, Administrative Assistant
Janna Sheppard, Administrative Assistant
Nathan Triplett, Director, Governmental Relations

Consent Agenda

The Board received the minutes from the November 17, 2023, Board meetings.
The Board received the minutes from the November 2, 2023, Executive Committee meeting.
The Board received the recent activities of the president.
The Board received the recent activities of the executive director.
The Board received the FY 2023 draft financial reports through November 30, 2023.
The Board received Client Protection Fund claims.

Mr. Quick 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.

Audit: Thomas H. Howlett, Chairperson

Mr. Howlett reported that the audit committee met in early December to review the final draft of the fiscal year 2023 final report. The committee also met with the auditors. No issues were reported, and a clean audit was provided.

Mr. Howlett introduced Ms. Jamie Rabe from the firm Andrews Hooper Pavlik (AHP), who reviewed the audit letter and the annual financial report and responded to questions from the Board. The auditors provided a clean, unmodified opinion with no recommendations and thanked the staff for their assistance and cooperation during the audit.

President and Executive Director's Report: Dan Quick, President and Peter Cunningham, Executive Director.

Licensing Fee Status

Mr. Cunningham reported that the license renewal for 2023-2024 is nearing the end of the period for members to pay without incurring late fees. As of today, 96% of members have renewed their licenses, which is a similar renewal rate as the previous year. Currently, there are about 1,600 members who are unpaid, which is also typical. Pre-suspension notices were mailed earlier this week with suspensions for non-payment scheduled to occur on February 12, 2024. As of this morning, 41,539 members have paid their licenses fees.

Interim Administrator Program Update

Mr. Cunningham shared that with the implementation of Rule 21, SBM is required to provide an annual report to the Michigan Supreme Court, which was issued on December 21, 2023. This was the most significant set of rules changes in at least two decades and was incorporated into the 2023-2024 license renewal.

Implementing Rule 21 was a seamless addition to the license fee process. This can be attributed to the work across multiple departments of the State Bar of Michigan and span of several years. The most crucial component of the launch was the development of an online tool which all private practice attorneys in Michigan had to use to follow the required steps to adhere to Rule 21. These questions include identifying a person with knowledge and identifying an interim administrator. The online system was designed to send follow-up emails to those named interim administrators. It also allows people to have their name added to the list of attorneys willing to serve as interim administrators.

There was a great amount of time and effort spent on educating attorneys throughout the state by way of presentations, targeted emails, articles in the Michigan Bar Journal, and resources available on our website. In addition, there were social media posts and a podcast done as well.

As of January 16, 2024, 16,345 members had designated an interim administrator and their named interim administrator had accepted the designation. There are 2,937 members who paid \$60 to enroll in the SBM interim administrator program, totaling \$176,220. This is nearly double the 1,500 enrollees (\$90,000) that were budgeted. The revenue generated by the annual fee collected will help offset the operational and maintenance costs of the program.

The financial impact of IAP expenses has included over 6,100 staff hours working to develop and launch Rule 21. The implementation costs of the IT department, web development of the online tool, and communications cost approximately \$240,000. The ongoing costs for the succession planning program counsel, part-time paraprofessional, and other expenses equate to about \$74,000, which will be an ongoing cost to operate and maintain the program. There is no estimated value that can be calculated at this time but that is something that will occur in the future.

In addition, there are 591 pending nominations for interim administrators, but the named person has not yet accepted the nomination as required by the rules. Non-compliance notices were sent to private practice attorneys who had not designated an interim administrator on January 16, 2024. These messages will continue to be sent through March. Any private practice attorney without a verified interim administrator by March 15, 2024, will automatically be enrolled in the IAP and will be charged the \$60 fee. If this fee remains unpaid, the enrollment fee will be carried over to the following year's license renewal. The attorney's license fee will not be renewed in 2024-2025 until the fee is paid.

Michigan Commission on Well-Being in the Law (WBIL)

Ms. Ranns reported that the executive team of the commission consisting of Justice Cavanagh as chair, Ms. Ranns as vice-chair, Mr. Tom Boyd, and Mr. Peter Cunningham has met three times during which they have reviewed applications and made recommendations to the Court. Appointments of members were made in December 2023. The first meeting of the full Commission will take place in late February or early March.

MSC Diversity Equity and Inclusion Commission

Mr. Cunningham reported that the Michigan Supreme Court's Diversity, Equity, and Inclusion Commission publicly released the draft of their strategic plan and held a public meeting in December to receive feedback from the public. Very few comments were received, and they were mostly positive and supportive. The Commission will meet again in February when it is expected to adopt the strategic plan and form work groups to begin implementing the strategic plan.

MSC Justice for All Commission

Mr. Cunningham shared that the Justice for All Commission met in December and approved two reports. The first report was the reimagining of the courthouse's work group recommendations. This included outlines on various voluntary strategies that trial courts can adopt to promote a safe and welcoming courthouse. Recommendations range from developing and adopting courthouse signage that is consistent, welcoming, and clear in all state courts; to have a greeter or concierge available at courthouses to help answer basic process questions, or direct people to where they need

to be; modernizing docket management which would help to reduce bulk scheduling for time in the courtroom; and to expand and improve the e-filing system. Many of these recommendations are already being reviewed and implemented by the State Court Administrator's Office (SCAO). The Commission will continue to work with SCAO to help make these changes.

The second report was from the resources committee on how to increase funding for civil legal aid in Michigan. Michigan ranks near the bottom of states in terms of per capita spending on civil legal aid to eligible recipients. Michigan spends \$23 per person on individuals who are below the poverty line, which puts Michigan significantly lower than most of its neighboring states. There were recommendations on how to increase a state's investments in civil legal aid.

The final item that the Justice for All Commission adopted was identifying standards for self-help centers. The Commission will help determine what standards centers should have in terms of who can use them and what resources will be available. The standards may be adaptable based on the resources available in and around the community, as well as the individual need for each community.

Artificial Intelligence Work Group Update

Mr. McGill reported that the AI workgroup has been established. The group consists of Ashley Lowe, CEO of Lakeshore Legal Aid; Commissioners Nyamfukudza, Mantese, Mason, and Ohanesian. The workgroup has met twice and has been busy gathering resources. The action items identified include establishing a databank for AI and discussing bringing in outside speakers to educate the workgroup. Mr. Mason and Mr. Ohanesian are working on an article for the Michigan Bar Journal.

The group is focused on the understanding of the topic, the timeline of the project and how fast other groups are working. They have discussed ways to ensure the protection of the public and how AI will impact the issues surrounding evidence integrity, and misuse of artificial intelligence that has been seen in local media. The group has also been discussing the possibility of an AI summit, where various groups could gather to discuss these issues.

Staff Updates

Mr. Cunningham reported that a new UPL Counsel has been hired to replace Kathy Gardner following her promotion to assistant executive director, and she will be introduced in person at the April meeting.

Open Discussions: Challenges & Opportunities for the Profession and Justice System

Response to Attacks on Judges

Mr. Quick provided background information about the increased attacks on judges. These threats include physical threats of harm and rhetorical threats by political figures, media personalities, and even members of the Bar. These threats can challenge the rule of law and how it is upheld.

Mr. Quick encouraged commissioners to think about how the State Bar of Michigan can support its judicial officers by reinforcing and protecting the rule of law. It was generally agreed that the State Bar, through the SBM President, has a duty and a responsibility to respond to these attacks on Michigan judges to help maintain the public's confidence in the court system and the rule of law.

Representative Assembly (RA) Report: Yolanda M. Bennett, Chairperson

Mr. Reiser shared a brief report in Ms. Bennett's absence. The deadline for nominating individuals for the Michael Franck Award and the Unsung Hero Award is March 9, 2024. The next meeting will be held on April 20, 2024, in Lansing and will be held as a hybrid meeting. Currently, there are two potential proposals which may be presented.

There are 37 vacancies, which is down from 45 at the start of the Bar year. In the upcoming SBM election, there will be nearly 90 seats over 43 circuits up for election in the Assembly.

Last, the September meeting will be held concurrently with the Board of Commissioners meeting on Thursday, September 19, 2024, in Troy.

Young Lawyers Section (YLS) Report: Tanya N. Cripps-Serra, Chairperson

Ms. Cripps-Serra reported that YLS held a community event on December 16, 2023, at Stevenson Elementary School in Southfield. There were over 130 parents and children who joined over half of the YLS Council members to make this event a great success. Judge Sheila Johnson and Judge Rebecca Coleman joined. The event features a luncheon with judges discussing the legal issues during the holiday season, pictures with Santa, gifts for children, and breakout rooms in different legal areas.

YLS also hosted an event at Wayne State Law school on January 8, 2024, where members of YLS were joined by employees from Henry Ford Health System and one of their therapy dogs, Berklee. They handed out snacks to the law students between classes and gave them information about YLS and resources available to them as a part of the law student section which is now a part of YLS.

On Saturday, January 27, 2024, YLS is partnering with the Wolverine Bar Association at the Bodman Law Offices in downtown Detroit, where they will do a student resume and interview workshop from 10:00 am to 3:00 p.m. They are still looking for volunteers. If you are interested, contact Ms. Serra-Cripps.

Last, it has been decided this year's challenge between YLS and the Board of Commissioners will be held at Top Golf in Auburn Hills. The date and time have not yet been determined but will be shared as soon as possible.

COMMISSIONER COMMITTEES

Public Policy: Joseph P. McGill, Chairperson

Mr. McGill provided the report for the Public Policy committee.

Court Rules

1. ADM File No. 2022-30: Proposed Amendments of MRE 702 and 804

The proposed amendment of MRE 702 would require the proponent of an expert witness's testimony to demonstrate that it is more likely than not that the factors for admission are satisfied and would clarify that it is the expert's opinion that must reflect a reliable application of principles and methods to the facts of the case. The proposed amendment of MRE 804 would require corroborating circumstances of trustworthiness for any statement against interest that exposes a declarant to criminal liability.

A motion was offered and seconded to support ADM File No. 2022-30 as drafted. The motion was approved.

2. ADM File No. 2022-45: Proposed Amendment of MCR 9.131

The proposed amendment of MCR 9.131 would require that the Supreme Court review requests for investigations involving allegations of attorney misconduct in instances where the Attorney Grievance Commission (AGC) administrator determines that an appearance of impropriety would arise if the AGC handled the investigation.

A motion was offered and seconded to support ADM File No. 2022-45 as drafted. The motion was approved.

Legislation

1. HB 5236 (Reheingans) Housing; landlord and tenants; form containing summary of tenant's rights; require state court administrative office to provide. Amends 1978 PA 454 (MCL 554.631 – 554.641) by adding sec. 4a.

A motion was offered that this legislation is *Keller* permissible. The motion to support was seconded and approved.

A motion was offered and supported to support HB 5236 with the proposed amendments. The motion passed.

2. HB 5237 (Dievendorf) Civil procedure: defenses; tenant rights to counsel; provide for. Creates new act. (possible roll call vote)

A motion was offered that this legislation is *Keller* permissible. The motion to support was seconded and approved.

A motion was offered and supported to support HB 5237 with the proposed amendments. The motion passed via roll-call vote.

Commissioners voting in support: Bennett, Bryant, Burrell, Christenson, Clay, Cripps-Serra, Detzler, Easterly, Gant, Hamameh, Howlett, Larsen, Lerner, Low, Mansoor, Mantese, Mason, McGill, Murray, Newman, Nyamfukudza, Ohanesian, Perkins, Quick, Reiser, Simpson, Walton, Washington.

Commissioner voting in opposition of the position: Evans.

3. HB 5238 (Wilson) Civil procedure: evictions; court records of evictions; require to be expunged. Amends sec. 8371 of 1961 PA 236 (MCL 600.8371) & adda sec. 5755.

This legislation is not *Keller* permissible. No action was taken.

4. **HB 5326** (Aragona) Courts: district court; magistrate jurisdiction and duties; modify. Amends secs. 5735 & 8511 of 1961 PA 236 (MCL 600.5735 & 600.8511).

A motion was offered that this legislation is *Keller* permissible. The motion to support was seconded and approved.

A motion was offered and supported to support HB 5326 with the proposed amendments. The motion passed.

Unfinished Business

1. **HB 4738** (Breen) Criminal procedure: witnesses; Criminal procedure: discovery; Crimes: other; Criminal procedure: witnesses; confidentiality of certain information of a witness; require prosecuting attorney to maintain and provide for disclosure in certain circumstances. Amends 1927 PA 175 (MCL 760.1 - 777.69) by adding sec. 40b to ch. VII.

HB 4739 (Mentzer) Crime victims: rights; Criminal procedure: discovery; Crime victims: rights; practice of redacting victim's contact information; codify. Amends 1985 PA 87 (MCL 780.751 - 780.834) by adding sec. 8a. (possible roll call vote)

A motion was offered and supported to oppose HB 4738 and 4739. The motion passed via roll-call vote.

Commissioners voting in support: Bennett, Bryant, Burrell, Christenson, Clay, Cripps-Serra, Detzler, Easterly, Evans, Gant, Howlett, Larsen, Lerner, Low, Mansoor, Mantese, Mason, McGill, Newman, Nyamfukudza, Ohanesian, Perkins, Quick, Reiser, Simpson, Washington.

Commissioners voting in opposition of the position: Hamameh, Murray, Reiser, Walton.

Finance: Thomas H. Howlett, Chairperson

Financial Report

As of November 30, 2023, the SBM Administrative Fund total net position was \$13.3 million, an increase of \$507,000 from the beginning of this fiscal year. The Administrative Fund net position *excluding* assets restricted for the retiree healthcare trust totaled \$10 million, an increase of \$361,000 from the beginning of this fiscal year.

Excluding the retiree healthcare trust impact, SBM operating result through November 30, 2023, was favorable to year-to-date budget by \$274,000. Operating revenues were higher than budget by \$102,000 or 4.5%, and interest income was higher than budget by \$35,000. Salaries and benefits expenses were favorable to budget by \$30,000 or 1.9%, and non-labor operating expenses were favorable to budget by \$149,000 or 21.4% due to timing of expenses.

The Client Protection Fund's net position totaled \$2.6 million, an increase of \$93,000 from the beginning of the year.

Attorneys in good standing totaled 46,902, an increase of 78 attorneys for this fiscal year.

Mr. Howlett shared three additional items which were discussed at the most recent meeting, including items which will be part of ongoing discussions throughout the Bar year. The first item relates to the Bar's cyber insurance coverage. The second item relates to the Bar building's insurance coverage. The third item relates to whether the Bar should acquire professional liability insurance given the new Interim Administrator Program. Last, the committee received a preliminary report from SBM staff on plans for an audit and a cyber security audit that will be conducted this year.

Professional Standards: Erika L. Bryant, Chairperson

Interim Administrator Compensation Rate

Ms. Bryant shared background information about the compensation policy for interim administrators who are matched through the Interim Administrator Program. She reminded commissioners that in November the Board approved a rate of \$100 per hour for those who are named interim administrators appointed by the IAP. This will occur only in situations where the interim administrator is both able to demonstrate that all other avenues of compensation through the estate of the affected attorney have been exhausted, and that they provide sufficient documentation of their expenses.

A motion was offered and supported to support the IAP Compensation and Reimbursement Policy. The motion passed.

Communications and Member Services (CAMS): Lisa J. Hamameh, Chairperson

No report was given.

FOR THE GOOD OF THE PUBLIC AND THE PROFESSION

Comments or questions from Commissioners

Mr. Howlett shared that ADM 2020-31, issued on January 10, 2024, which was about humanitarian exception and was proposed by the State Bar of Michigan, has now been added to Rule 1.8 of the Rules of Professional Conduct.

Ms. Mansoor shared that the Insurance and Indemnity Law section is hosting a casual mixer at Draft Kings Bar and Social in Troy at 4:30 p.m. today, Friday, January 19, 2024.

Comments or questions from the public

None.

Adjournment

The meeting was adjourned at 12:34 p.m.

**State Bar of Michigan
Executive Committee Virtual Meeting
Thursday, January 4, 2024
4:00 p.m.**

President Quick called the meeting to order at 4:02 p.m.

Members Present: President Daniel D. Quick, President Elect Joseph P. McGill, Vice President Lisa Hamameh, Secretary Erika L. Bryant, Treasurer Thomas H. Howlett, Representative Assembly Chair Yolanda Bennett, Representative Assembly Vice Chair John Reiser III, and Commissioners David Anderson, Aaron V. Burrell, and Robert Easterly

Members Absent:

State Bar Staff Present: Peter Cunningham, Executive Director; Drew Baker, General Counsel; Margaret Bossenbery, Executive Coordinator; and Assistant Executive Directors, Kathryn Gardner, and Kari Thrush. Nathan Triplett

Minutes:

A motion was offered to approve the November 2, 2023 minutes. The motion was seconded and approved. Commissioners Anderson and Easterly abstained.

President and Executive Director's Report

Membership Update

Mr. Cunningham provided the committee with an update on SBM membership fees. He stated that we are right on pace with last year and that 95 percent of members had paid their fees. He mentioned that IAP enrollment is currently at 2,904 and that the SBM budgeted for 1,500. He said that more information will be provided at the Board meeting later this month.

U.S. 5th Circuit Case

Mr. Cunningham provided the committee with an update on the recent 5th Circuit case regarding activities undertaken by integrated bars (*Boudreaux v. LA State Bar Assoc*, No. 22-30564). In its decision, the court decided that the Louisiana State Bar Association was engaging in activities that were not germane under *Keller v. State Bar of California*. Mr. Cunningham informed the committee that SBM staff are reviewing the case to ensure that SBM activities would be considered germane considering this decision.

Mr. Quick also mentioned a recently filed lawsuit that challenges the DEI program in Wisconsin. The lawsuit alleges that pipeline clerkship programs sponsored by the State Bar of Wisconsin are limited to certain racial groups, and that this violates the constitution. SBM staff will monitor this case as it progresses, especially considering our own pipeline activities.

Request to reconsider HBs 4738 and 4739

Mr. Quick informed the committee about a request from Commissioners Newman and Nyamfukudza to reconsider HB 4738 and HB 4739 and asked Mr. Triplett to provide additional background information. Mr. Triplett reminded the committee about legislation discussed at the July 2023 board meeting, but due to low attendance at the meeting, the vote on the motion to oppose the legislation was deferred to an electronic vote following the meeting. That electronic vote did not garner the two-thirds majority necessary to pass. Because the vote was taken electronically via email, there was no further discussion, and an alternative motion was not brought forward. Commissioners Newman and Nyamfukudza have asked that this legislation be brought back to the full Board for further consideration. The committee members discussed the options and concerns and voted to allow this item to be placed on the January meeting agenda.

Mr. Triplett also reported an issue recently raised by the Family Law Section. The board took a position supporting HB 5300 at the November meeting, and the rules prohibit sections of the SBM from advocating positions inconsistent with the positions adopted by the board unless granted permission by the Board of Commissioners or Representative Assembly. The Family Law Section has asked for the Board to grant them permission to advocate a position opposing HB 5300. After discussion, the committee declined to put the Family Law's request on the January meeting agenda.

2024 Commissioner elections

Mr. Cunningham reported that staff is preparing for the 2024 commissioner elections, and they want to add a step to the election process involving contacting incumbent candidates this month to ascertain their intentions of running for reelection. Although commissioner would not be bound by any decision they make at this stage, this would allow SBM to include more accurate information being published in the election notice printed in the *Michigan Bar Journal*. In the past, all eligible incumbents have automatically been listed as candidates which has led to confusion in those instances where the incumbent decides against running for reelection. There was no objection to adding this to the election process.

Legal Deserts

Mr. Quick discussed that there is growing momentum in addressing legal deserts – geographic areas where there are not enough legal resources, including attorneys, to meet the legal need. Mr. Quick indicated that Commissioner Larsen is interested in working on this issue, and the Supreme Court has also shown interest in addressing this issue. He stated that whether SBM or the Supreme Court eventually takes the lead on this topic, it is something that the bar should actively work to help solve. Mr. Cunningham said that the State Court Administrative Office has formed an informal workgroup that includes SBM to strategize the next steps in addressing legal deserts in Michigan, and they are expected to meet again in January.

Mr. Quick informed the committee that he has accepted an informal wager from the president of the Washington State Bar Association over the results of the upcoming college football national championship game between the University of Michigan and the University of Washington. The state bar president from the state of the team that loses the game must wear the hat of the winning team at their next board meeting.

Representative Assembly (RA)

Ms. Bennet stated that the RA officers had their first meeting of the term, met with all the RA section chairs, and are off to a great start. Mr. Quick stated that he looks forward to working with the RA on any substantive issues they bring forward.

January 19, 2024 Board of Commissioners meeting Agenda

The committee reviewed the draft agenda for the January board meeting. Mr. Quick stated that he heard that the new section of the board agenda, “Challenges & Opportunities for the Profession and Justice System.” was well received and was valuable in increasing commissioner engagement. He was asked if the committee members had thoughts of what topics could be discussed at this month’s meeting. The draft agenda was approved with the addition of the reconsideration of HBs 4738 and 4739 and pending any additional topics for discussion.

Ms. Bossenbery told the committee about a scheduling conflict with the May 23 Executive Committee meeting. The meeting will now take place on May 22, 2024.

Other Items

Mr. Howlett brought up an issue he encountered when signing up for the Lawyer Referral Service (LRS). He indicated that each attorney who signs up for LRS can only receive referral from people in three counties for the \$150 fee to enroll to be a panel member, and additional counties can only be added at a cost of \$150 each. This would result in him being charged thousands of dollars to be able to offer his services to the entire state. He suggested that SBM should reconsider this practice, particularly considering the previous discussion about legal deserts. Mr. Cunningham will investigate this and follow-up with Mr. Howlett.

Adjournment

The meeting was adjourned at 5:05 p.m.

State Bar of Michigan
Executive Committee Virtual Meeting
Thursday, February 22, 2024
4:00 p.m.

President Quick called the meeting to order at 4:02 p.m.

Members Present: President Daniel D. Quick, President Elect Joseph P. McGill, Vice President Lisa Hamameh, Secretary Erika L. Bryant, Treasurer Thomas H. Howlett, Representative Assembly Chair Yolanda Bennett, Representative Assembly Vice Chair John Reiser III, and Commissioners David Anderson, Aaron V. Burrell, and Robert Easterly

State Bar Staff Present: Peter Cunningham, Executive Director; Drew Baker, General Counsel; Margaret Bossenbery, Executive Coordinator; Assistant Executive Directors, Kathryn Gardner, and Kari Thrush, Nathan Triplett, Public Policy Director, and Robert Mathis, Justice Initiatives Counsel

Minutes:

A motion was offered to approve the January 4, 2024, minutes. The motion was seconded and approved. Commissioners Anderson and Easterly abstained.

President and Executive Director's Report

Membership Update

Mr. Cunningham informed the committee that 541 members have been suspended. He mentioned that IAP enrollment is at 2,904 and that the SBM budgeted for 1,500. He stated there were close to 300 attorneys who have not yet responded, and that March 15 is the deadline to do so. He said that more information will be provided at the April board meeting.

Lawsuit update

Ms. Baker gave the committee an update on Gabriel H. Kaimowitz v Michigan Bar et al. She stated that the lawsuit was dismissed and that the Motion for Reconsideration was denied.

2024 Equal Access Conference

Mr. Quick informed the board that the 2024 Equal Access Conference is taking place in Detroit beginning on May 9 and that he is scheduled to give remarks to the group on May 10.

Artificial Intelligence Workgroup (AIW)

Mr. McGill gave the committee an update on the efforts of the AIW. He reported that the group met last week where they learned about what the ABA and other entities were doing in this area. Mr. Howlett shared that the Professional Ethic Committee is also discussing the ethical use of artificial intelligence by attorneys.

Legal Deserts

Mr. Quick informed the committee that Commissioner Larsen is gathering information about the Legal Deserts issue. There were other committee members with ideas on this topic such as engaging more members and the SBM getting the word out more. It was suggested that perhaps the Representative Assembly should discuss this issue because their members represent the areas of needs. Ms. Bennett agreed and she, Mr. Reiser, Ms. Larsen, Mr. Cunningham, and Ms. Gardner will work on a presentation for the RA in April.

Representative Assembly (RA) Report

Ms. Bennett stated that a letter is being prepared regarding the proposed amendments to State Bar Rule 6 voted on by the RA in September. She also stated that a survey is being sent to all RA members about attendance options for the April RA meeting.

Public Policy Report

ADM File No. 2022-42: Proposed Amendments of MCR 2.508 and 4.002

The proposed amendments of MCR 2.508(B)(3)(b)-(c) and 4.002(D)(2) would make the rules consistent with MCR 2.227 regarding the timing of payment of the jury fee in cases that are removed or transferred.

A motion was offered to support the proposed amendments. The motion was supported and approved.

ADM File No. 2022-54: Proposed Amendment of MCJC Canon 7

The proposed amendment of Canon 7 would provide a procedure for handling remaining funds in an attorney's trust account if the attorney is elected or appointed to a judicial office.

A motion was offered to support the proposed amendments. The motion was supported and approved.

Executive Budget for the Michigan Indigent Defense Commission for the 2024-2025 Fiscal Year

Executive Budget for the Department of the Judiciary for the 2024-2025 Fiscal Year

A motion was offered to support both budgets. The motion was supported and approved. A letter supporting the budgets and materials will be sent to the board members for their consideration via an electronic vote before being sent to the legislature.

Barristers' Ball

Ms. Bossenbery stated that the 2024 Wolverine Bar Association's Barristers' Ball is taking place on April 20. In the past the SBM supported the WBAF by buying two tables so the Executive Committee members and a guest could attend.

A motion was offered to buy up to two tables depending on the number of committee members who can attend. The motion was supported and approved.

Other Items

Mr. Quick informed the committee about the ABA Task Force for American Democracy, and the listening tour being undertaken around the country. He stated the Michigan is the second stop of the Task Force and that he, along with some Task Force members, former Justices Kurtis Wilder, Bridget McCormack, and Dennis Archer, and other Michigan representatives will be part of a discussion on the Confidence of Elections and Improving Civic Education on Michigan. The event takes place on March 15 at Wayne State Law School from 1 – 4:00 p.m.

Mr. Howlett expressed his thoughts on the attacks on the judiciary given the campaign season approaching and the response from the State Bar.

Adjournment

The meeting was adjourned at 4:55 p.m.

President Daniel D. Quick
President's Activities
January 20 through April 21, 2024

Date	Event	Location
January 22	Oakland County Bar Foundation Fellows Reception	Birmingham
January 24	Federal Bar Association New Lawyers Seminar	Detroit
February 7	Federal Bar Association Wade McCree Award Luncheon	Detroit
February 8	Meeting with Peter Cunningham	Virtual
February 10	Pacific American Bar Association Dinner	Farmington Hills
February 22	Executive Committee meeting	Virtual
February 23	Grand Rapids Bar Association meeting	Grand Rapids
February 28	Meeting with SBM Board Officers	Detroit
February 29	Calhoun County Bar Association meeting	Battle Creek
March 7	Affinity Bar Associations Challenge	Royal Oak
March 13	Michigan State Bar Foundation Dinner meeting	Lansing
March 14	Lapeer County Bar Association meeting	Lapeer
March 15	The American Bar Association Taskforce on Democracy Initiative meeting	Detroit
March 22	Michigan High School Mock Trial Reception	Lansing
April 9 – 11	American Bar Association Legislative Days	Washington, DC
April 11	Michigan Supreme Court Historical Society Annual Meeting	Detroit
April 11	Oakland County Bar Association New Lawyers Committee Meet the Judges Night	Royal Oak

Date	Event	Location
April 13	Board of Commissioners v Young Lawyers Section Executive Council Challenge	Auburn Hills
April 19	Board of Commissioners meeting	Lansing
April 20	Representative Assembly meeting	Virtual
April 20	Wolverine Bar Association Bar Association/Foundation Barristers' Ball	Detroit
April 21	Brunch for Bars	Detroit

Executive Director Peter Cunningham
Executive Director Activities
January 20 through April 21, 2024

Date	Event
January 23 - 25	Institute for Well Being in the Law (IWIL) Conference
January 25	State Planning Body (SPB) meeting
January 25	Justice for All (JFA) Executive Team meeting
January 26	Meeting with Tom Clement, Chair of Strategic Planning Committee
January 29	Meeting with David Watson, Executive Director of ICLE
February 1 – 4	American Bar Association Mid-Year meeting
February 6	Meeting with Jennifer Bentley, Executive Director, Michigan State Bar Foundation
February 8	Meeting with President Dan Quick
February 8	JFA Executive Team meeting
February 13	Commission on the Well-Being in the Law Executive Committee meeting
February 13	Strategic Planning Committee meeting
February 14	Eviction Diversion Program Funding meeting
February 15	Meeting with Chief Justice Clement
February 16	Artificial Intelligence (AI) Workgroup meeting
February 21	Diversity, Equity, and Inclusion (DEI) Executive Team meeting
February 22	Justice for All (JFA) Co-Chairs Quarterly meeting
February 22	JFA Executive Team meeting
February 22	Executive Committee meeting
February 23	ICLE Executive Committee meeting
February 28	Dinner meeting with the Board Officers
March 6	AI Workgroup meeting
March 7	JFA Executive Committee meeting
March 8	Luncheon Honoring Angela Tripp
March 11	Michigan Commission on WBIL meeting
March 12 - 15	National Association of Bar Executives (NABE) Retreat American Bar Association (ABA) Bar Leadership Institute
March 14	Diversity, Equity, and Inclusion (DEI) Executive Team meeting

Date	Event
March 20	Mentoring and Apprenticeship meeting
March 21	Meeting with Chief Justice Clement
March 21	JFA Executive Committee meeting
March 22	Judicial Council Section meeting
March 22	Michigan Probate Judges Association meeting
April 1	Diversity, Equity, and Inclusion (DEI) Workgroup D meeting
April 1	Interim Attorney Program (IAP) meeting
April 1 – 3	Budget Forecast meetings with Strategic Management Team
April 2	Strategic Planning Committee meeting
April 4	Well-Being in the Law Commission – Executive Committee meeting
April 4	JFA Executive Committee meeting
April 4	Executive Committee meeting
April 5	Meeting with Treasurer, Thomas Howlett
April 9	Strategic Planning Committee meeting
April 11	MI Supreme Court Historical Society Board and Annual meeting
April 12	Communication and Member Services meeting
April 12	DEI Executive Team meeting
April 15	Commission on Well-Being in the Law Executive Committee meeting
April 16	Finance and Audit Committee meetings
April 16	Institute for the Advancement of the American Legal System “Cultivating an Oasis in Legal Service Deserts” Webinar
April 16	Professional Standards Committee meeting
April 17	Public Policy Committee meeting
April 18	JFA Executive Team meeting
April 18	Meeting with Chief Justice Clement
April 19	Board of Commissioners meeting
April 20	Representative Assembly meeting
April 20	Wolverine Bar Association Bar Association/Foundation Barristers’ Ball
April 21	Brunch for Bars

State Bar of Michigan Financial Results Summary

For the Five Months Ended February 29, 2024
Fiscal Year 2024

Administrative Fund - Summary of Results as of February 29, 2024

Operating Revenue	\$5,679,149
Operating Expense	<u>(4,801,911)</u>
Operating Income (Loss)	877,238
Non-Operating Income (Loss)	<u>737,587</u>
Change in Net Position	1,614,825
Net Position, October 1, 2023	<u>\$12,751,125</u>
Net Position, February 29, 2024	<u>\$14,365,950</u>

As of February 29, 2024, Net Position *excluding* net assets restricted for retiree healthcare was \$10,876,142, an increase of \$1,215,605 since the beginning of the year and favorable to budget by \$620,840.

YTD Operating Revenue variance – \$97,045, favorable to budget (1.7%):

License fee and related revenue was lower than budget by \$53,975 (1.3%); other operating revenue was higher than budget by \$151,020 (15.4%) primarily due to higher C&F and IAP revenue.

YTD Operating Expense variance - \$401,349, favorable to budget (7.7%):

Salaries and Employee Benefits/ Payroll Taxes – \$66,971, favorable (1.9%)

- Under budget due to lower benefits and PR taxes (\$33,317) and lower salary expenses (\$33,654).

Non-Labor Operating Expenses - \$334,378, favorable (19.8%)

- Legal - \$32,242, favorable (35.6%) – Under budget with the largest variance in C&F and IAP.
- Public and Bar Services - \$122,097, favorable (27.3%) – Under budget with the largest variances in IT and Outreach, some due to timing.

- Operations and Policy - \$180,039, favorable (15.6%) – Under budget with the largest variances in Facilities, Bar Journal, Administration, Executive office and BOC, some due to timing.

YTD Non-Operating Revenue Budget Variance - \$521,754 favorable to budget 241.7%:

- Interest income is favorable to budget by \$122,446 (56.7%).
- Retiree Health Care Trust net investment gain of \$399,308 (this amount is *not* budgeted).

Cash and Investment Balance

As of February 29, 2024, 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 \$14,535,883, an increase of \$5,083,501 from the beginning of the year primarily due to collection of license fees.

SBM Entities Retiree Health Care Trust

As of February 29, 2024, the SBM retiree health care trust investments were \$4,512,433, an increase of \$399,308 since the beginning of the year. The change is due to investment gains of \$404,872, net of advisor and record keeping fees of \$5,564.

Capital Budget

Year-to-date capital expenditures totaled \$116,483, or 45% of the FY 2024 capital expenditures budget of \$259,680.

Client Protection Fund

The Net Position of the Client Protection Fund as of February 29, 2024 totaled \$2,744,515, an increase of \$222,522 from the beginning of the year. Claims expenses totaled \$77,763, including \$19,484 of authorized but not paid claims awaiting signed subrogation agreements.

SBM Membership

As of February 29, 2024, the active, inactive, and emeritus membership in good standing totaled 46,606 attorneys, a decrease of 218 attorneys since the beginning of the year; and the number of paying attorneys decreased by 854. A total of 473 new attorneys have joined SBM since the beginning of the year.

FY 2024 Forecast

Excluding income of the SBM Entities Retiree Healthcare Trust, which is not budgeted or forecasted, SBM projects FY 2024 increase in net position of \$1,056,265, with a favorable year-end budget variance of \$163,045.

- License fees and related revenues are expected to be lower than budget by \$150,000 due to a decrease in paying members.
- Other operating revenues are expected to be higher than budget by \$135,022, primarily due to higher revenues in IAP, and advertising and partner program revenues.
- Salaries and benefits are expected to be slightly higher than budget by \$9,186 due to higher insurance costs.
- Non-labor operating expenses are expected to be lower than budget by \$126,709 due to lower travel and meeting expenses for Inaugural and Awards Luncheon, 50 Year Event, Outreach, EO/BOC, and RA, and lower operating expenses in C&F, HR, IT, Facilities, and Communications, offset by higher expenses in CPF, General Counsel, Diversity, and Justice Initiatives.
- Interest income is projected to be higher than budget by \$60,500 due to higher-than-expected interest rates.

Capital expenditures for FY 2024 are expected to be \$280,463, which include \$20,783 in carry-over expenses from FY 2023.

**STATE BAR OF MICHIGAN
ADMINISTRATIVE FUND**

Unaudited and For Internal Use Only

**FINANCIAL REPORTS
February 29, 2024**

FY 2024

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

**State Bar of Michigan
SBM Statement of Net Position
February 29, 2024**

	Feb 2024	Jan 2024	Variance	Variance %	Sept 2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets					
Cash	\$ 839,269.14	\$ 1,191,833.34	(352,564.20)	(29.58%)	\$ 775,834.60
Investments	17,390,745	16,592,709	798,036	4.81%	11,776,776
Due from (to) CPF	(667)	94,642	(95,309)	(100.70%)	13,206
Due from (to) Sections	(3,705,697)	(3,805,797)	100,100	(2.63%)	(3,113,434)
Due from (to) ADS	12,232	830,661	(818,429)	(98.53%)	-
Net Administrative Fund Cash and Investment Balance	14,535,883	14,904,050	(368,167)	(2.47%)	9,452,382
Accounts Receivable	46,694	30,544	16,150	52.87%	48,378
Prepaid Expenses	318,007	317,956	52	0.02%	490,364
Capital Assets, Net	3,301,398	3,305,338	(3,940)	(0.12%)	3,228,115
SBM Retiree Health Care Trust	4,512,433	4,422,045	90,388	2.04%	4,113,125
Total Assets	22,714,416	22,979,933	(265,517)	(1.16%)	17,332,364
Deferred Outflows of Resources					
Deferred outflows of resources related to pensions	24,225	24,225	-	0.00%	24,225
Deferred outflows of resources related to OPEB	1,081,363	1,081,363	-	0.00%	1,081,363
Total Deferred Outflows of Resources	1,105,588	1,105,588	-	0.00%	1,105,588
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	23,820,004	24,085,521	(265,517)	(1.10%)	18,437,953
LIABILITIES, DERERRED INFLOWS AND NET POSITION					
Liabilities					
Accounts Payable	115,462	97,089	18,373	18.92%	463,715
Accrued Expenses	764,086	707,678	56,408	7.97%	697,379
Deferred Revenue	6,004,637	6,698,897	(694,260)	(10.36%)	2,052,690
GASB 96 Subscription Liability	96,738	96,738	-	0.00%	-
Net Pension Liability	365,770	365,770	-	0.00%	365,770
Net OPEB Liability	1,157,170	1,157,170	-	0.00%	1,157,170
Total Liabilities	8,503,863	9,123,342	(619,479)	(6.79%)	4,736,725
Deferred inflows of Resources					
Deferred inflows of resources related to pensions	3,373	3,373	-	0.00%	3,373
Deferred inflows of resources related to OPEB	946,730	946,730	-	0.00%	946,730
Total Deferred Inflows of Resources	950,103	950,103	-	0.00%	950,103
Total Liabilities and Deferred Inflows	9,453,966	10,073,445	(619,479)	(6.15%)	5,686,828
Net Assets					
Invested in Capital Assets, Net of Related Debt	3,301,398	3,305,338	(3,940)	(0.12%)	3,228,115
Restricted for Retiree Health Care Trust	3,489,896	3,399,508	90,388	2.66%	3,090,588
Unrestricted	7,574,744	7,307,230	267,514	3.66%	6,432,422
Total Net Position	14,366,038	14,012,076	353,962	2.53%	12,751,125
TOTAL LIABILITIES, DERERRED INFLOWS AND NET POSITION	23,820,004	24,085,521	(265,517)	(1.10%)	18,437,953
Net Position Excluding Impacts of Retiree Health Care Trust	10,876,142	10,612,568	263,574	2.48%	9,660,537

**State Bar of Michigan
SBM Summary Report
February 29, 2024**

	Actuals		Budget		Actuals to Budget		Prior Year Actuals		Actuals to Prior Year	
	Oct 2023 - Feb 2024	Oct 2023 - Feb 2024	Oct 2023 - Feb 2024	Oct 2023 - Feb 2024	Variance	%	Oct 2022 - Feb 2023	Variance	%	
Operating Revenue										
License Fees, Dues and Related	\$ 4,546,600	\$ 4,600,575	\$ (53,975)	(1.2%)	\$ 4,657,930	\$ (111,330)	(2.4%)			
All other Op Revenue	1,132,549	981,530	151,020	15.4%	946,507	186,043	19.7%			
Total Operating Revenue	5,679,149	5,582,105	97,045	1.7%	5,604,437	74,713	1.3%			
Total Operating Expenses										
Labor Operating Expenses										
Salaries	2,536,298	2,569,952	(33,654)	(1.3%)	2,407,491	128,807	5.4%			
Benefits and Payroll Taxes	908,001	941,318	(33,317)	(3.5%)	828,482	79,519	9.6%			
Total Labor Operating Expenses	3,444,299	3,511,270	(66,971)	(1.9%)	3,235,973	208,326	6.4%			
Non Labor Operating Expenses										
Legal	57,938	90,179	(32,242)	(35.8%)	50,742	7,196	14.2%			
Operations and Policy	974,148	1,154,187	(180,039)	(15.6%)	1,037,836	(63,688)	(6.1%)			
Public and Bar Services	325,527	447,624	(122,097)	(27.3%)	290,719	34,808	12.0%			
Total - Non Labor Operating Expenses	1,357,612	1,691,990	(334,378)	(19.8%)	1,379,297	(21,684)	(1.6%)			
Total Operating Expenses	4,801,911	5,203,260	(401,349)	(7.7%)	4,615,270	186,642	4.0%			
Operating Income (Loss)	877,238	378,844	498,394	131.6%	989,167	(111,929)	(11.3%)			
Non Operating Revenue (Expenses)										
Investment Income	338,280	215,833	122,446	56.7%	208,691	129,588	62.1%			
Investment Income - Ret HC Trust	399,308	-	399,308	0.0%	415,322	(16,014)	(3.9%)			
Net Non Operating Revenue (Expenses)	737,587	215,833	521,754	241.7%	624,013	113,574	18.2%			
Increase (Decrease) in Net Position	1,614,825	594,678	1,020,148	171.5%	1,613,180	1,645	0.1%			
Net Position Beginning of Year	12,751,125	8,648,879	4,102,246	47.4%	9,813,122	2,938,003	29.9%			
Net Position End of Period	14,365,950	9,243,556	5,122,394	55.4%	11,426,302	2,939,648	25.7%			
Change in Net Position Excluding Ret HC Trust Investment Income (Loss)	1,215,518	594,678	620,840	104.4%	1,197,858	17,659	1.5%			

State Bar of Michigan
SBM Statement of Revenues, Expenses and Net Assets
February 29, 2024

	Actuals Oct 2023 - Feb 2024	Budget Oct 2023 - Feb 2024	Actuals to Budget Variance	%	Prior Year Actuals Oct 2022 - Feb 2023	Actuals to Prior Year Variance	%
Revenues							
License Fees and Related	\$ 4,546,600	\$ 4,600,575	\$ (53,975)	(1.2%)	\$ 4,657,930	\$ (111,330)	(2.4%)
Other Operating Revenues							
Operations and Policy							
Administration	342,535	325,196	17,339	5.3%	315,261	27,274	8.7%
Bar Journal	118,330	108,967	9,363	8.6%	118,608	(278)	(0.2%)
Digital	19,643	16,670	2,973	17.8%	21,290	(1,646)	(7.7%)
E Journal	25,859	22,915	2,944	12.8%	21,323	4,536	21.3%
Print and Design	14,481	16,460	(1,979)	(12.0%)	16,972	(2,491)	(14.7%)
Total - Operations and Policy	520,848	490,208	30,640	6.3%	493,453	27,395	5.6%
Public and Bar Services							
50 Year Event	150	-	150	0.0%	-	150	0.0%
Bar Leadership Forum	-	-	-	0.0%	580	(580)	(100.0%)
Diversity	190	-	190	0.0%	-	190	0.0%
Lawyer Referral Services	56,103	66,665	(10,562)	(15.8%)	104,384	(48,281)	(46.3%)
Lawyer Services	104,661	100,125	4,536	4.5%	97,883	6,778	6.9%
Lawyers & Judges Assistance Program	22,866	25,000	(2,134)	(8.5%)	22,767	99	0.4%
Practice Management Resource Center	1,102	1,250	(148)	(11.9%)	2,505	(1,403)	(56.0%)
Total - Public and Bar Services	185,072	193,040	(7,968)	(4.1%)	228,118	(43,047)	(18.9%)
Legal							
Character & Fitness	238,335	207,242	31,093	15.0%	223,385	14,950	6.7%
Ethics	2,175	1,040	1,135	109.1%	1,550	625	40.3%
IAP	186,120	90,000	96,120	106.8%	-	186,120	0.0%
Total - Legal	426,630	298,282	128,348	43.0%	224,935	201,695	89.7%
Total - Other Operating Revenues	1,132,549	981,530	151,020	15.4%	946,507	186,043	19.7%
Non Operating Revenue							
Investment Income	338,280	215,833	122,446	56.7%	208,691	129,588	62.1%
Investment Income - Retiree HC Trust	399,308	-	399,308	0.0%	415,322	(16,014)	(3.9%)
Total Non Operating Revenue	737,587	215,833	521,754	241.7%	624,013	113,574	18.2%
Total Revenues	6,416,737	5,797,938	618,799	10.7%	6,228,450	188,287	3.0%

	Actuals Oct 2023 - Feb 2024	Budget Oct 2023 - Feb 2024	Actuals to Budget Variance	%	Prior Year Actuals Oct 2022 - Feb 2023	Actuals to Prior Year Variance	%
Expenses							
Legal							
Character & Fitness	9,503	24,155	(14,652)	(60.7%)	15,939	(6,436)	(40.4%)
Client Protection Fund	2,482	5,323	(2,842)	(53.4%)	2,009	473	23.5%
Ethics	1,670	3,335	(1,665)	(49.9%)	2,100	(430)	(20.5%)
General Counsel	17,297	16,398	899	5.5%	4,229	13,068	309.0%
IAP	4,098	7,570	(3,472)	(45.9%)	94	4,004	4,252.8%
UPL	1,058	3,409	(2,351)	(69.0%)	2,934	(1,875)	(63.9%)
Payroll Taxes	185,803	198,220	(12,417)	(6.3%)	178,716	7,087	4.0%
Benefits	722,197	743,098	(20,901)	(2.8%)	649,766	72,432	11.1%
Human Resources	21,830	29,988	(8,158)	(27.2%)	23,437	(1,607)	(6.9%)
Total Legal	965,938	1,031,497	(65,559)	(6.4%)	879,224	86,715	9.9%
Public and Bar Services							
50 Year Event	678	700	(22)	(3.2%)	4,865	(4,187)	(86.1%)
Bar Leadership Forum	(3,973)	-	(3,973)	0.0%	-	(3,973)	0.0%
Diversity	3,785	16,065	(12,280)	(76.4%)	7,932	(4,147)	(52.3%)
IT	249,101	325,168	(76,067)	(23.4%)	210,757	38,345	18.2%
Inaugural and Awards Lunch	9,450	9,450	-	0.0%	25	9,425	37,075.5%
Lawyer Referral Services	5,287	4,700	587	12.5%	4,008	1,279	31.9%
Lawyer Services	7,865	12,001	(4,136)	(34.5%)	13,130	(5,265)	(40.1%)
Lawyers & Judges Assistance Program	10,215	14,908	(4,693)	(31.5%)	5,076	5,138	101.2%
Outreach	41,608	61,723	(20,115)	(32.6%)	42,092	(484)	(1.2%)
Practice Management Resource Center	1,511	2,910	(1,399)	(48.1%)	2,820	(1,309)	(46.4%)
Upper Michigan Legal Institute	-	-	-	0.0%	13	(13)	(100.0%)
Total Public and Bar Services	325,527	447,624	(122,097)	(27.3%)	290,719	34,808	12.0%
Operations and Policy							
Administration	68,933	79,123	(10,190)	(12.9%)	73,417	(4,484)	(6.1%)
Bar Journal	135,550	179,100	(43,550)	(24.3%)	141,186	(5,636)	(4.0%)
Board of Commissioners	16,585	27,850	(11,265)	(40.4%)	23,850	(7,265)	(30.5%)
Digital	42,196	51,873	(9,677)	(18.7%)	66,050	(23,854)	(36.1%)
E Journal	6,133	7,250	(1,117)	(15.4%)	5,506	627	11.4%
Executive Office	9,256	26,461	(17,204)	(65.0%)	7,794	1,463	18.8%
Facilities	158,667	207,739	(49,072)	(23.6%)	188,375	(29,708)	(15.8%)
General Communications	4,787	10,374	(5,588)	(53.9%)	2,475	2,312	93.4%
Governmental Relations	26,812	26,560	252	0.9%	24,248	2,564	10.6%
Justice Initiatives	1,968	3,061	(1,093)	(35.7%)	1,887	82	4.3%
Print and Design	16,288	21,505	(5,217)	(24.3%)	17,393	(1,105)	(6.4%)
Representative Assembly	6,375	6,400	(25)	(0.4%)	-	6,375	0.0%
Research	191	6,540	(6,349)	(97.1%)	6,532	(6,341)	(97.1%)
Depreciation	176,387	195,830	(19,443)	(9.9%)	184,165	(7,778)	(4.2%)
Finance	304,020	304,520	(500)	(0.2%)	294,960	9,060	3.1%
Total Operations and Policy	974,148	1,154,187	(180,039)	(15.6%)	1,037,836	(63,688)	(6.1%)
Salaries							
Legal	631,837	591,960	39,877	6.7%	565,701	66,136	11.7%
Operations and Policy	983,971	1,058,310	(74,339)	(7.0%)	961,961	22,010	2.3%
Public and Bar Services	920,491	919,682	809	0.1%	879,829	40,662	4.6%
Total - Salaries	2,536,298	2,569,952	(33,654)	(1.3%)	2,407,491	128,807	5.4%
Total Expenses	4,801,911	5,203,260	(401,349)	(7.7%)	4,615,270	186,642	4.0%
Increase (Decrease) in Net Assets	1,614,825	594,678	1,020,148	171.5%	1,613,180	1,645	0.1%

State Bar of Michigan
Administrative Fund
FY 2024 Capital Expenditures vs Budget
For the Five Months Ending February 29, 2024

	YTD Actual	YTD Budget	YTD Variance	Notes and Variance Explanations	FY 2024 Forecast	FY 2024 Budget	Forecasted Variance
FACILITIES, FURNITURE & OFFICE EQUIPMENT							
Boardroom upgrade to three Apple-compatible presentation points	-	-	-		\$ 30,000	\$ 30,000	\$ -
Ethernet Switches (expense delayed from FY 2023)	11,296	-	11,296	Carryover from FY 2023 (\$27,753 remaining as of 09/30/23)	11,296	-	11,296
Additional Cameras for 1st Floor (expense delayed from FY 2023)	9,487	-	9,487	Carryover from FY 2023 (\$10,000 remaining as of 09/30/23)	9,487	-	9,487
TOTAL FACILITIES, FURNITURE & OFFICE EQUIPMENT	\$ 20,783	\$ -	\$ 20,783		\$ 50,783	\$ 30,000	\$ 20,783
INFORMATION TECHNOLOGY							
<u>Application Software Development:</u>							
Receivership /Interim Administrator Program data portal	\$ 6,380	\$ 6,380	\$ -		\$ 31,600	\$ 31,600	\$ -
E-commerce Store	15,950	10,000	5,950		16,000	10,000	6,000
E-commerce Events	38,280	32,460	5,820		50,000	32,460	17,540
E-commerce License Fee Updates	6,380	-	6,380		40,600	40,600	-
e-Services Application to Court e-Filing (mi-File)	-	-	-		-	20,000	(20,000)
Firm Administration and Billing	12,760	11,000	1,760		15,000	11,000	4,000
Website Functionality Enhancements	9,570	9,570	-		20,000	12,680	7,320
Character & Fitness Module	3,190	3,190	-		19,940	34,800	(14,860)
Volunteer Application Updates	-	-	-		19,140	19,140	-
Consumer Portal (LRS)	3,190	3,190	-		17,400	17,400	-
TOTAL INFORMATION TECHNOLOGY	\$ 95,700	\$ 75,790	\$ 19,910		\$ 229,680	\$ 229,680	\$ -
TOTAL CAPITAL EXPENDITURES BUDGET	\$ 116,483	\$ 75,790	\$ 40,693		\$ 280,463	\$ 259,680	\$ 20,783

State Bar of Michigan Administrative Fund
Revenues, Expenses and Net Assets
FY 2024 - Year-End Forecast
Updated April 3, 2024

	FY 2024 Year-End Forecast	FY 2024 Budget	Variance	Percentage	FY 2023 Actual
Operating Revenue					
- License Fees, Dues & Related	10,645,000	10,795,000	(150,000)	(1.39%)	10,830,970
- All Other Op Revenue	<u>1,939,977</u>	<u>1,804,955</u>	<u>135,022</u>	<u>7.48%</u>	<u>1,828,111</u>
Total Operating Revenue	12,584,977	12,599,955	(14,978)	(0.12%)	12,659,081
Operating Expenses					
- Labor-related Operating Expenses					
Salaries	6,124,434	6,124,434	-	0.00%	5,789,720
Benefits, PR Taxes, and Ret HC Exp	<u>2,080,402</u>	<u>2,071,216</u>	<u>9,186</u>	<u>0.44%</u>	<u>1,847,302</u>
Total Labor-related Operating Expenses	8,204,836	8,195,650	9,186	0.11%	7,637,022
- Non-labor Operating Expenses					
Legal	240,755	246,700	(5,945)	(0.48%)	144,735
Public and Bar Services	1,198,820	1,232,705	(33,885)	(3.74%)	889,777
Operations and Policy	<u>2,462,801</u>	<u>2,549,680</u>	<u>(86,879)</u>	<u>(3.41%)</u>	<u>2,204,188</u>
Total Non-labor Operating Expenses	3,902,376	4,029,085	(126,709)	(3.14%)	3,238,700
Total Operating Expenses	12,107,212	12,224,735	(117,523)	(0.96%)	10,875,722
Operating Income (Loss)	477,765	375,220	102,545	N/A	1,783,359
Non-operating Revenue (Expenses)					
Investment Income	578,500	518,000	60,500	11.68%	579,659
Investment Income - Ret HC Trust*	-	-	-	-	574,984
Loss on Disposal of Capital Assets	-	-	-	-	-
Net Non-operating Revenue (Expenses)	578,500	518,000	60,500	11.68%	1,154,643
Increase (Decrease) in Net Position	1,056,265	893,220	163,045	18.25%	2,938,002

Operating Revenue Forecast:

- License fees and related - Expecting to be under budget for license fees and related revenues due to decrease in paying members.
- All other operating revenue - Expecting to be higher than budget primarily due to higher IAP (\$100k), advertising revenues and carrer center (\$26k) and partner program revenues (\$9k).

Labor Forecast:

- Salaries - Expecting to be at the budget.
- Benefits & PR Taxes - Expecting to be slightly higher than budget due to higher insurance costs.

Non-labor Forecast:

Legal

- Expecting to be under budget primarily due to savings in C&F (\$9k) and HR (\$5k), offset by higher expenses in General Counsel (\$4k) and CPF (\$10K).

Public and Bar Services

- Expecting to be under budget primarily in IT (\$12), Inaugural and Awards Lunch (\$12K), Outreach (\$7k), and 50 Year Event (\$5k), offset by higher expenses in Diversity (\$2k).

Operations and Policy

- Executive Offices & BOC - Expecting to be under budget primarily due to lower forecasted travel expenses (\$14k).
- Expecting to be under budget in RA primarily due to lower meeting and travel expenses (\$10k).
- Expecting to be under budget in Facilities (\$12k), Bar Journal (\$13k), offset by higher Justice Initiatives expenses (\$7.5k).
- Finance - Expecting to be under budget primarily due to lower depreciation expense (\$37k).

Non-Operating Income forecast:

- Investment Income - Expecting to be higher than budget due to higher interest rates.
- Retiree Health Care Trust Investment Income was not budgeted nor forecasted.

**STATE BAR OF MICHIGAN
CLIENT PROTECTION FUND**

Unaudited and For Internal Use Only

**FINANCIAL REPORTS
February 29, 2024**

FY 2024

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

State Bar of Michigan
CPF Comparative Statement of Net Assets
February 29, 2024

	Feb 2024	Jan 2024	Variance	Variance %	Sept 2023
Assets					
Checking	\$ 24,530	\$ 74,944	\$ (50,414)	(67.3%)	\$ 75,040
Savings	175,315	254,698	(79,383)	(31.2%)	72,303
Investments	2,932,447	2,931,494	953	0.0%	2,546,363
Accounts Receivable	-	(4,814)	4,814	(100.0%)	-
Due From SBM	667	(94,642)	95,309	(100.7%)	(13,206)
Total Assets	3,132,958	3,161,680	(28,721)	(0.9%)	2,680,499
Liabilities and Fund Balance					
Liabilities					
Total - Claims Payable	24,298	59,819	(35,521)	(59.4%)	43,268
Total - Deferred Revenue	364,145	409,174	(45,029)	(11.0%)	115,238
Total Liabilities	388,443	468,993	(80,550)	(17.2%)	158,505
Fund Balance					
Fund Balance Beginning of Year	2,521,994	2,521,994	-	0.0%	2,121,791
Net Income (Expense) Year to Date	222,522	170,693	51,829	30.4%	400,202
Total Fund Balance	2,744,515	2,692,687	51,829	1.9%	2,521,994
Total Liabilities and Fund Balance	3,132,958	3,161,680	(28,721)	(0.9%)	2,680,499

**State Bar of Michigan
CPF Income Statement
February 29, 2024**

Financial Row	Actuals Oct 2023 - Feb 2024	Prior Year Actuals Oct 2022 - Feb 2023	Variance
Income			
42965 - Claims Recovery	\$ 53,795	\$ 10,406	\$ 43,389
42970 - Contributions Received	359	16,887	(16,528)
40050 - License Fee	263,770	269,375	(5,605)
40055 - Pro Hac Vice Fees	6,030	4,860	1,170
Total - Income	323,954	301,528	22,426
Expenses			
65285 - Bank Service Fees	175	175	-
71005 - Claims Payments	77,763	69,238	8,525
69060 - SBM Administrative/Service Fees	83,750	75,000	8,750
Total - Expenses	161,688	144,413	17,275
Investment Income			
49015 - Gain or Loss on Investment JPM Brokerage	57,004	33,906	23,098
49010 - Interest & Dividends	3,252	1,937	1,314
Total - Investment Income	60,256	35,843	24,413
Increase or Decrease in Net Positon	222,522	192,958	29,564
Net Position, Beginning Of year	2,521,994	2,121,791	400,203
Net Position, End of Period	2,744,516	2,314,749	429,767

Summary of Cash and Investment Balances by Financial Institution

2/29/2024

Assets	Bank Rating	Financial Institution Summary	Interest Rates
		SBM Chase Checking \$ 239,778.46	
		SBM Chase Credit Card \$ 87,124.85	
		SBM Chase E Checking \$ 11,475.00	
		SBM Chase Payroll \$ -	
		SBM Chase Savings \$ 500.15	0.02%
		ADS Chase Checking \$ 33,822.78	
		ADS Chase Petty Cash \$ 1,182.52	
		CPF Chase Checking \$ 24,529.78	
		CPF Chase Savings \$ 461.48	0.02%
\$3.4 Trillion	5 stars	** Chase Total \$ 398,875.02	
		SBM Horizon Bank Money Market \$ 9.06	
\$7.9 Billion	5 stars	Horizon Bank Total w/CD \$ 2,007,228.72	
		SBM Fifth Third Commercial Now \$ 13,600.81	0.30%
\$212 Billion	5 stars	Fifth Third Total \$ 13,600.81	
		Grand River Bank Total w/CD \$ -	
\$515 Million	4 stars		
		MSUCU Savings \$ 56.09	
		MSUCU Checking \$ 12,551.87	
		MSU Credit Union Total \$ 12,607.96	
\$7.7 Billion	5 stars	MSU Credit Union Total w/CD \$ 1,602,256.49	
		LAFUCU Savings \$ 5.00	
\$1 Billion	5 stars	LAFUCU Total w/CD \$ 5.00	
		CASE Cr Un \$ 6.38	
\$406 Million	4 stars	CASE Cr Un Total w/CD \$ 6.38	
		SBM Flagstar ICS Checking \$ 237,697.42	3.80%
		ADS Flagstar ICS Checking Account \$ 163,122.05	3.80%
		CPF Flagstar ICS Checking \$ 174,853.35	3.80%
\$111 Billion	4 stars	Flagstar Bank FDIC Insured \$ 575,672.82	

Fund Summary	
Client Protection Fund	\$ 3,132,292
State Bar Admin Fund (including Sections)	\$ 18,230,014
Attorney Discipline System	\$ 6,910,993
SBM Retiree Health Care Trust	\$ 4,512,433
ADB Retiree Health Care Trust	\$ 1,477,252
AGC Retiree Health Care Trust	\$ 4,539,483
Total	\$ 38,802,468

State Bar Admin Fund Summary

Cash and Investments	\$ 18,230,014
Less:	
Due (to)/from Sections	\$ (3,705,697)
Due (to)/from ADS	\$ 12,232
Due (to)/from CPF	\$ (667)
Due to Sections and CPF	\$ (3,694,132)
Net Administrative Fund	\$ 14,535,882
SBM Average Weighted Yield:	4.88%
ADS Average Weighted Yield:	4.98%
CPF Average Weighted Yield:	4.92%

Notes:

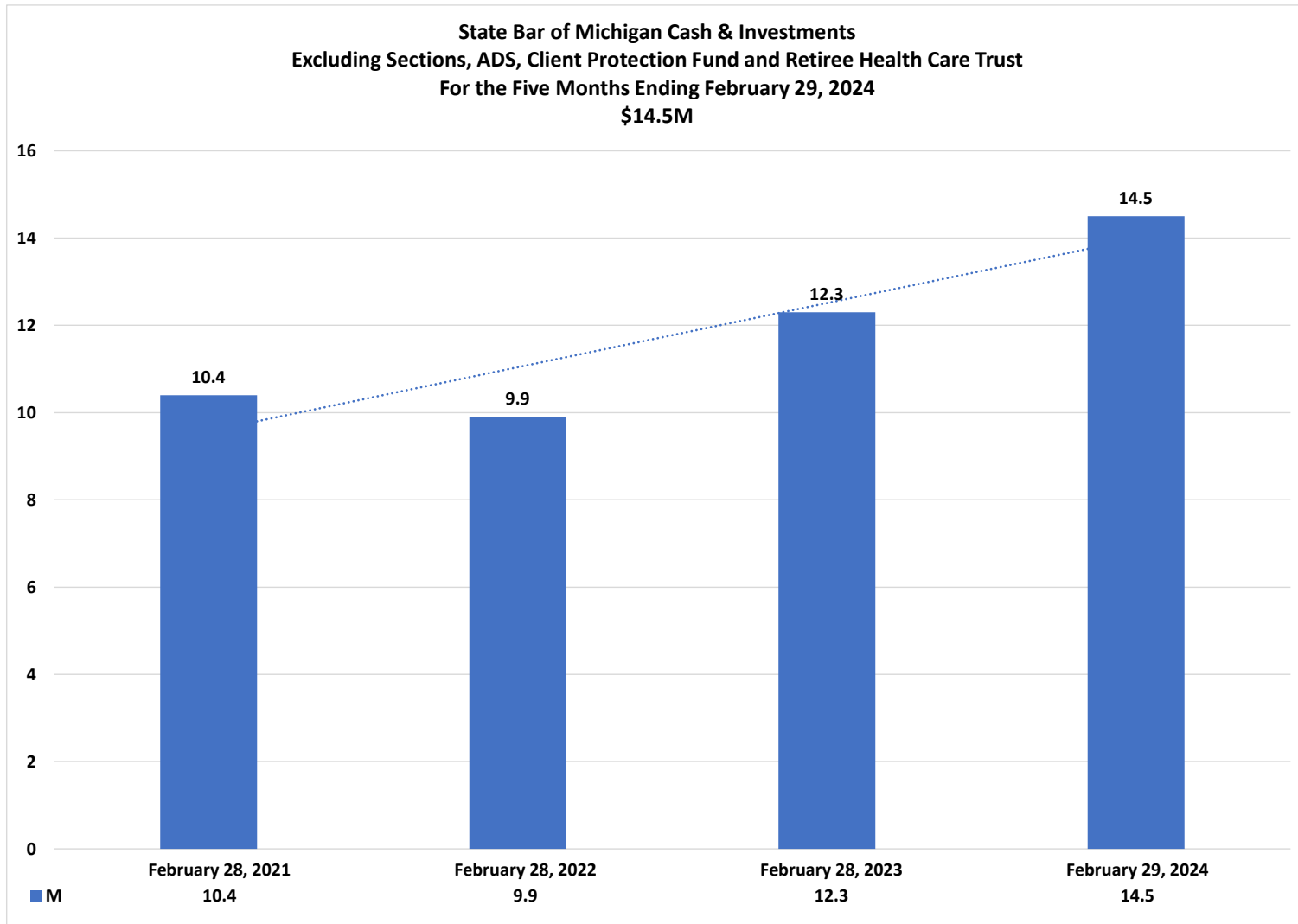
- All amounts are based on reconciled book balance and interest rates as of 2/29/24.
- CDARS when used are invested in multiple banks up to the FDIC limit for each bank.
- Funds held in bank accounts are FDIC insured up to \$250,000 per bank.
- Actual unreconciled Chase balance per statements was \$254,017.23(**).
- Bank Star rating from Bauer Financial.
- Lockbox fees are offset by 0.30% p.a. on average monthly balance (*)
- 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 (31%), bond mutual funds (20%), and equity mutual funds (49%).

Assets	Bank Rating	Financial Institution Summary	Interest Rates	Maturity
N/A	N/A	SBM US Treasuries		
		JH1 \$ 474,233.81	5.22%	03/12/24
		JJ7 \$ 498,673.75	5.23%	03/19/24
		JL2 \$ 746,466.67	5.18%	04/02/24
		FH5 \$ 1,038,391.32	5.21%	05/16/24
		HR1 \$ 246,979.44	5.25%	05/23/24
		HS9 \$ 542,805.31	5.21%	05/30/24
		HT7 \$ 936,663.84	5.20%	06/06/24
		ZW2 \$ 1,377,553.34	5.13%	06/20/24
		Y52 \$ 687,370.25	5.08%	07/05/24
		JT5 \$ 474,899.74	5.03%	07/25/24
		JU2 \$ 1,271,660.43	4.99%	08/01/24
		GL5 \$ 389,492.89	4.77%	09/05/24
		HE0 \$ 898,861.54	4.66%	10/31/24
		HP5 \$ 1,444,251.12	4.77%	11/29/24
		JR9 \$ 1,004,266.55	4.68%	01/23/25
		US Gov MM Fund-SXX \$ 1,061,306.87	5.05%	-
		SBM US Treasuries Total \$ 13,093,876.87		
		CPF US Treasuries		
		HT7 \$ 325,367.44	5.19%	06/06/24
		ZW2 \$ 590,380.00	5.13%	06/20/24
		Y52 \$ 981,957.50	5.08%	07/05/24
		JU2 \$ 342,370.12	4.99%	08/01/24
		HP5 \$ 577,700.45	4.77%	11/29/24
		US Gov MM Fund - GXX \$ 114,671.57	4.90%	-
		CPF US Treasuries Total \$ 2,932,447.08		

Assets	Bank Rating	Financial Institution Summary	Interest Rates	Maturity
		ADS US Treasuries		
		JH1 \$ 748,790.23	5.22%	03/12/24
		JJ7 \$ 374,005.31	5.23%	03/19/24
		HS9 \$ 932,638.22	5.21%	05/30/24
		HT7 \$ 197,192.39	5.19%	06/06/24
		FS1 \$ 246,230.00	5.11%	06/13/24
		ZW2 \$ 442,785.00	5.13%	06/20/24
		Y52 \$ 343,685.13	5.08%	07/05/24
		JT5 \$ 749,068.66	5.03%	07/25/24
		GK7 \$ 317,587.83	5.03%	08/08/24
		GL5 \$ 389,492.89	4.77%	09/05/24
		HP5 \$ 722,125.56	4.75%	11/29/24
		ZV4 \$ 287,875.00	4.72%	12/26/24
		JR9 \$ 301,279.96	4.67%	01/23/25
		UG Gov MM Fund \$ 660,109.53	5.05%	-
		ADS US Treasuries Total \$ 6,712,865.71		
		US Treasuries Total \$ 22,739,189.66		
		SBM Flagstar Savings \$ 236,464.05	4.12%	
		\$ 236,464.05		
		SBM Flagstar CDARS \$ 700,000.00	4.60%	02/06/25
\$7.7 Billion	5 stars	SBM-CD MSU Credit Union \$ 252,036.00	5.00%	05/29/24
		SBM-CD MSU Credit Union \$ 262,537.51	5.00%	05/29/24
		SBM-CD MSU Credit Union \$ 262,537.51	5.00%	05/29/24
		SBM-CD MSU Credit Union \$ 262,537.51	5.00%	05/29/24
		SBM-CD MSU Credit Union \$ 550,000.00	4.50%	08/02/25
\$7.9 Billion	5 stars	Horizon Bank \$ 253,199.32	5.18%	06/04/24
		Horizon Bank \$ 253,199.32	5.18%	06/04/24
		Horizon Bank \$ 253,199.32	5.18%	06/04/24
		Horizon Bank \$ 253,199.32	5.18%	06/04/24
		Horizon Bank \$ 253,199.32	5.18%	06/08/24
		Horizon Bank \$ 253,199.32	5.18%	06/08/24
		Horizon Bank \$ 244,011.87	4.90%	10/28/24
		Horizon Bank \$ 244,011.87	4.90%	10/28/24
		Bank CD Totals \$ 3,596,868.19		
		Total Cash & Investments (excluding Schwab) \$ 28,273,298.95		
		SBM - Charles Schwab (Ret HC Trust) \$ 4,512,433.01		Mutual Funds
		ADB - Charles Schwab (Ret HC Trust) \$ 1,477,252.36		Mutual Funds
		AGC - Charles Schwab (Ret HC Trust) \$ 4,539,483.37		Mutual Funds
		Charles Schwab Totals \$ 10,529,168.74		
		Grand Total (including Schwab) \$ 38,802,467.69		
		Total amount of cash and investments not FDIC-insured (excluding Schwab and JPM held T-bills and Gov MM) \$ 3,244,824.28	58.63%	

Asset size & ratings updated 1/11/24

State Bar of Michigan Cash & Investments
Excluding Sections, ADS, Client Protection Fund and Retiree Health Care Trust
For the Five Months Ending February 29, 2024
\$14.5M



Note: The State Bar of Michigan has no bank debt outstanding

Monthly SBM Attorney and Affiliate Report - February 29, 2024

FY 2024

Attorneys and Affiliates In Good Standing	September 30 2018	September 30 2019	September 30 2020	September 30 2021	September 30 2022	September 30 2023	February 29 2024	FY Increase (Decrease)
Active	42,342	42,506	42,401	42,393	42,395	41,985	41,139	(846)
Less than 50 yrs serv	40,973	41,036	40,559	40,504	40,680	40,115	39,092	(1,023)
50 yrs or greater	1,369	1,470	1,842	1,889	1,715	1,870	2,047	177
Voluntary Inactive	1,169	1,139	1,192	1,097	1,072	1,106	1,277	171
Less than 50 yrs serv	1,142	1,105	1,149	1,055	1,030	1,059	1,228	169
50 yrs or greater	27	34	43	42	42	47	49	2
Emeritus	2,204	2,447	2,727	3,033	3,306	3,733	4,190	457
Total Attorneys in Good Standing	45,715	46,092	46,320	46,523	46,773	46,824	46,606	(218)
Fees paying Attorneys (Active & Inactive less than 50 yrs of s	42,115	42,141	41,708	41,559	41,710	41,174	40,320	(854)
Affiliates								
Legal Administrators	10	10	8	5	2	2	4	2
Legal Assistants	401	393	317	219	214	194	172	(22)
Total Affiliates in Good Standing	411	403	325	224	216	196	176	(20)
<u>Total Attorneys and Former Attorneys in the Database</u>								
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	February 29 2023	FY Increase (Decrease)
Attorneys in Good Standing:								
ATA (Active)	42,342	42,506	42,401	42,393	42,395	41,985	41,139	(846)
ATVI (Voluntary Inactive)	1,169	1,139	1,192	1,097	1,072	1,106	1,277	171
ATE (Emeritus)	2,204	2,447	2,727	3,033	3,306	3,733	4,190	457
Total Attorneys in Good Standing	45,715	46,092	46,320	46,523	46,773	46,824	46,606	(218)
Attorneys Not in Good Standing:								
ATN (Suspended for Non-Payment of Dues)	6,072	6,246	6,416	6,472	6,588	6,824	7,241	417
ATDS (Discipline Suspension - Active)	439	440	445	449	454	456	459	3
ATDI (Discipline Suspension - Inactive)	19	24	25	25	25	25	25	-
ATDC (Discipline Suspension - Non-Payment of Court Costs)	15	16	16	14	14	15	15	-
ATNS (Discipline Suspension - Non-Payment of Other Costs)	95	98	100	102	106	104	106	2
ATS (Attorney Suspension - Other)*	1	1	2	-	-	-	-	-
ATR (Revoked) inactive)**	583	596	613	623	634	645	648	3
inative)**	2,070	2,070	2,070	2,070	2,047	2,047	2,047	-
Total Attorneys Not in Good Standing	9,294	9,491	9,687	9,755	9,868	10,116	10,541	425
Other:								
ATSC (Former special certificate)	155	157	158	164	167	170	172	2
ATW (Resigned)	1,689	1,798	1,907	2,036	2,143	2,282	2,407	125
ATX (Deceased)	9,287	9,524	9,793	10,260	10,664	10,958	11,099	141
Total Other	11,131	11,479	11,858	12,460	12,974	13,410	13,678	268
Total Attorneys in Database	66,140	67,062	67,865	68,738	69,615	70,350	70,825	475

* 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

TO: Board of Commissioners

FROM: Professional Standards Committee

DATE: April 19, 2024, BOC Meeting

RE: Client Protection Fund Claims for Consent Agenda

Rule 15 of the Client Protection Fund Rules provides that “claims, proceedings and reports involving claims for reimbursement are confidential until the Board authorizes reimbursement to the claimant.” To protect CPF claim information as required in the Rule, and to avoid negative publicity about a lawyer subject to a claim, which has been denied and appealed, the CPF Report to the Board of Commissioners is designated “confidential.”

**CONSENT AGENDA
 CLIENT PROTECTION FUND**

Claims recommended for payment:

Consent Agenda:

	<u>Claim No.</u>	<u>Amt. Recommended</u>
1.	CPF 3866	\$1,030.00
2.	CPF 3783	\$5,000.00
3.	CPF 4039	\$1,000.00
4.	CPF 4062	\$5,500.00
5.	CPF 4109	\$255.00
	TOTAL	\$12,785.00

The Professional Standards Committee recommends payment of these claims by the State Bar of Michigan Client Protection Fund:

CPF 3783 - \$5,000

Respondent was retained to represent Claimant in an ongoing custody and parenting time dispute for a flat fee of \$5,000. Respondent failed to complete the legal services required for either of the two motions before being disbarred from the practice of law. Respondent's failure to return the unearned fee constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rule 7(A)(1).

The Attorney Discipline Board, in revoking Respondent's license to practice law, found that Respondent failed to refund the advance payment of an unearned fee after termination of the representation and ordered reimbursement of \$5,000. CPF Rule 10(D)(1) states that an order disciplining Respondent for the same dishonest conduct alleged in a claim is conclusive evidence that the lawyer committed the dishonest conduct.

CPF 3866 - \$1,030

Respondent was retained to open an estate for Claimant's family member for a fee of \$1,500, plus costs. Claimant paid Respondent \$1,030. There is no written fee agreement between the parties. The attorney fee and advanced costs were not desposited into an IOLTA. Respondent did not provide any legal services. Respondent promised Claimant a full refund, but did not provide a refund. Respondent's failure to return the unearned fee constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 7(C)(1) and 10(D)(1).

CPF 4039 - \$1,000

Respondent was retained by Claimant's ex-spouse to represent them in the divorce. Respondent contacted Claimant and proposed that Respondent act as an independent facilitator and accepted a payment of \$1,000. However, this agreement is unethical as Respondent entered into an attorney client relationship with Claimant's ex-spouse. Pursuant to Ethics Opinion RI-351 and MRPC 1.7, it is a conflict of interest for an attorney to represent both parties in a matter. Therefore, Respondent improperly obtained fees from Claimant as the 'representation' violated the Michigan Rule of Professional Conduct. Therefore, the entire sum received from Claimant could not be earned by Respondent, making it an unearned fee, which must be returned. Therefore, Respondent's failure to return the unearned fee constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 7(A)(1).

CPF 4062 - \$5,500

Respondent was retained to represent Claimant's family member in a criminal matter for a flat fee of \$25,000. There is no written fee agreement. Claimant paid \$18,000. Respondent did not have a written fee agreement, therefore, the agreement between Respondent and Claimant presumes a flat

or fixed fee, which is not earned until the conclusion of the representation and must be held in trust until the matter is resolved.¹

Respondent provided approximately half of the legal services agreed upon before Respondent's untimely passing.² Per RI-069, the fee is not earned until the services are complete and the lawyer "shall refund any portion of the fee which has not been earned." As not all services were rendered, Claimant is entitled to the portion of the fee that was not yet earned, approximately half of the \$25,000 fee, or \$12,500. Claimant paid \$18,000 leaving a balance due of \$5,500.

Therefore, Respondent's failure to return the unearned fee constitutes dishonest conduct and is a reimbursable loss. Respondent's failure to safeguard the funds in an attorney trust account, and their estate and law firm's failure to return the funds to Claimant violates MRPC 1.15. This dishonest conduct is a reimbursable loss under CPF Rule 7(A)(1).

CPF 4109 - \$255

Respondent was retained by Claimant for representation in a divorce matter. Claimant paid \$500 for two hours of representation and remitted \$255 for the filing fee. Respondent did not file the complaint or return \$255 filing fee. Therefore, Respondent's failure to return the unspent costs constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rule 7(A)1.

¹ Ethics Opinion RI-069.

² Respondent's untimely death is not considered dishonest conduct. CPF Rule 7(A)(1) provides that it is dishonest conduct for a lawyer not to safeguard funds in trust account during the lawyer's lifetime so that unearned fees may be refunded upon the lawyer's death.



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

The Committee on Model Criminal Jury Instructions solicits comment on the following proposal by September 1, 2023. Comments may be sent in writing to Andrea Crumback, Reporter, Committee on Model Criminal Jury Instructions, Michigan Hall of Justice, P.O. Box 30052, Lansing, MI 48909-7604, or electronically to MCrimJI@courts.mi.gov .

PROPOSED

The Committee proposes amending the Reasonable Doubt instructions found in M Crim JI 1.9(3) and 3.2(3) to add the sentence, “Proof beyond a reasonable doubt is proof that leaves you firmly convinced of the defendant’s guilt.” The amendment was prompted by research showing that the clear-and-convincing standard was considered by the general public to be higher than the beyond-a-reasonable-doubt standard. The Model Jury Instruction Committee proposes the additional sentence to impress upon the jurors the level of certainty required for a criminal conviction. A number of Committee members preferred not to make any change to the instruction, but agreed to publication of the proposal for public consideration. Comments suggesting other wording for the reasonable-doubt instructions are welcome, but the Committee is only considering whether to adopt the change proposed, or wording substantially similar to the proposal. The added language is underlined. There is an extended comment period for this proposal.

[AMENDED] M Crim JI 1.9(3) and 3.2(3) Reasonable Doubt

(3) Proof beyond a reasonable doubt is proof that leaves you firmly convinced of the defendant’s guilt. A reasonable doubt is a fair, honest doubt growing out of the evidence or lack of evidence. It is not merely an imaginary or possible doubt, but a doubt based on reason and common sense. A reasonable doubt is just that: a doubt that is reasonable after a careful and considered examination of the facts and circumstances of this case.

**Public Policy Position
M Crim JI 1.9(3) and 3.2(3)**

Support

Explanation

The committee voted 13 to 4 to support the adoption of the Criminal Jury Instruction.

Position Vote:

Voted For position: 13

Voted against position: 4

Abstained from vote: 0

Did not vote (absence): 7

Contact Persons:

Nimish R. Ganatra ganatran@washtenaw.org

John A. Shea jashea@earthlink.net

**Public Policy Position
M Crim JI 1.9(3) and 3.2(3)**

Support

Explanation:

Council's prior position on M Crim JI 1.9(3) and 3.2(3) on reasonable doubt that was taken on 21 March, 2023, Council move instead to support the amendment as proposed.

Position Vote:

Voted for position: 15

Voted against position: 3

Abstained from vote: 0

Did not vote: 0

Contact Person: Edwar Zeineh

Email: edwar@zeinehlaw.com



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

The Committee on Model Criminal Jury Instructions solicits comment on the following proposal by May 1, 2024. Comments may be sent in writing to Samuel R. Smith, Reporter, Committee on Model Criminal Jury Instructions, Michigan Hall of Justice, P.O. Box 30052, Lansing, MI 48909-7604, or electronically to MCrimJI@courts.mi.gov.

PROPOSED

The Committee proposes amending jury instructions M Crim JI 20.2 (Criminal Sexual Conduct in the Second Degree [MCL 750.520c]) and M Crim JI 20.13 (Criminal Sexual Conduct in the Fourth Degree [MCL 750.520e]) to add definitional “sexual contact” language from MCL 750.520a(q). Deletions are in strike-through, and new language is underlined.

**[AMENDED] M Crim JI 20.2 Criminal Sexual Conduct in the
Second Degree**

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

(2) First, that the defendant intentionally [touched (*name complainant*)’s / made, permitted, or caused (*name complainant*) to touch (his / her)] [genital area / groin / inner thigh / buttock / (or) breast] or the clothing covering that area.

(3) Second, that ~~this touching was done~~ the defendant touched [*name complainant*] for any of these reasons: (1) for sexual arousal or gratification, (2) in a sexual manner for revenge, humiliation, or out of anger, or (3) for a sexual purposes or what could reasonably be construed as having been done for a sexual purposes.

(4) [*Follow this instruction with one or more of the 13 alternatives, M Crim JI 20.3 – 20.11d, as warranted by the charges and evidence.*]

M Crim JI 20.13:

[AMENDED] M Crim JI 20.13 Criminal Sexual Conduct in the Fourth Degree

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

(2) First, that the defendant intentionally [touched (*name complainant*)’s / made, permitted, or caused (*name complainant*) to touch (his / her)] [genital area / groin / inner thigh / buttock / (or) breast] or the clothing covering that area.

(3) Second, that ~~this touching was done~~ the defendant touched (*name complainant*) for any of these reasons: (1) for sexual arousal or gratification, (2) in a sexual manner for revenge, humiliation, or out of anger, or (3) for a sexual purposes or what could reasonably be construed as having been done for a sexual purposes.

(4) [*Follow this instruction with M Crim JI 20.14a, M Crim JI 20.14b, M Crim JI 20.14c, M Crim JI 20.14d, M Crim JI 20.15, M Crim JI 20.16, or M Crim JI 20.16a, as warranted by the charges and evidence.*]

Use Note

Use this instruction where the facts describe an offensive touching not included under criminal sexual conduct in the second degree.

**Public Policy Position
M Crim JI 20.2 and 20.13**

Support

Explanation

The committee voted unanimously (17) to support the adoption of the Model Criminal Jury Instructions.

Position Vote:

Voted For position: 17

Voted against position: 0

Abstained from vote: 0

Did not vote (absence): 7

Contact Persons:

Nimish R. Ganatra ganatran@washtenaw.org

John A. Shea jashea@earthlink.net



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

=====

The Committee on Model Criminal Jury Instructions solicits comment on the following proposal by May 1, 2024. Comments may be sent in writing to Samuel R. Smith, Reporter, Committee on Model Criminal Jury Instructions, Michigan Hall of Justice, P.O. Box 30052, Lansing, MI 48909-7604, or electronically to MCrimJI@courts.mi.gov.

=====

PROPOSED

The Committee proposes two jury instructions, M Crim JI 40.7 (loitering where prostitution is practiced) and M Crim JI 40.7a (loitering where an illegal occupation or business is practiced or conducted) for the “loitering” crimes found in the Disorderly Person statute at MCL 750.167(i) and (j). The instructions are entirely new.

[NEW] M Crim JI 40.7 Loitering Where Prostitution Is Practiced

(1) The defendant is charged with the crime of loitering where acts of prostitution were taking place. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that acts of prostitution were allowed or being committed at [*provide location where prostitution was being performed*].

An act of prostitution is sexual conduct with another person for a fee or something of value.

(3) Second, that the defendant was present at that location and knew or learned that prostitution was allowed or being committed there.

(4) Third, that the defendant remained at [*provide location of illegal conduct*] without a lawful purpose¹ knowing that prostitution was allowed or being committed there.

Use Note

1. Lawful purposes could include, among other things, gathering information to report illegal conduct to the police or attempting to dissuade persons engaging in illegal conduct from continuing their illegal activity.

[NEW] M Crim JI 40.7a Loitering Where an Illegal Occupation or Business Is Practiced or Conducted

(1) The defendant is charged with the crime of loitering where an illegal occupation or business was being practiced or conducted. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that [*identify illegal occupation or business*]¹ was being practiced or conducted at [*provide location*].

(3) Second, that the defendant was present at that location and the defendant knew or learned that [*illegal occupation or business*] was being practiced or conducted.

(4) Third, that the defendant remained at [*location of illegal conduct*] without a lawful purpose² knowing that [*illegal occupation or business*] was being practiced or conducted there.

Use Note

1. Whether an *occupation or business* is illegal appears to be a question that is decided by the court. Whether that *occupation or business* was occurring at the location alleged is a question of fact for the jury.
2. Lawful purposes could include, among other things, gathering information to report an illegal business to the police or attempting to dissuade persons engaging in an illegal occupation from continuing their illegal activity.

**Public Policy Position
M Crim JI 40.7 and 40.7a**

Support

Explanation

The committee voted unanimously (17) to support the adoption of the Model Criminal Jury Instructions.

Position Vote:

Voted For position: 17

Voted against position: 0

Abstained from vote: 0

Did not vote (absence): 7

Contact Persons:

Nimish R. Ganatra ganatran@washtenaw.org

John A. Shea jashea@earthlink.net



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

The Committee on Model Criminal Jury Instructions solicits comment on the following proposal by May 1, 2024. Comments may be sent in writing to Samuel R. Smith, Reporter, Committee on Model Criminal Jury Instructions, Michigan Hall of Justice, P.O. Box 30052, Lansing, MI 48909-7604, or electronically to MCrimJI@courts.mi.gov.

PROPOSED

The Committee proposes three jury instructions, M Crim JI 41.3 (placing eavesdropping devices), 41.3a (placing eavesdropping devices for a lewd or lascivious purpose), and 41.3b (disseminating images obtained by eavesdropping devices) for the crimes found in an eavesdropping and surveillance statute: MCL 750.539d. These instructions are entirely new.

[NEW] M Crim JI 41.3 Placing Eavesdropping or Surveillance Devices

(1) The defendant is charged with the crime of placing an eavesdropping or surveillance device. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant [installed / placed / used] a device for observing, recording, transmitting, photographing, or eavesdropping on the sounds or events¹ of others² at or in a private place.³

A private place is one where a person could reasonably expect to be safe from casual or unwanted intrusion or surveillance. It does not include a place where the public or a substantial group of the public has access.

(3) Second, that the defendant did not have the permission or consent of [(*identify complainant(s) if possible*) / the person or persons entitled to privacy at (*provide location of device*)] to be observed, recorded, transmitted, photographed, or eavesdropped on.³

Use Note

Use M Crim JI 41.3a in cases where the defendant is the owner or principal occupant of the premises where an eavesdropping device was alleged to have been placed. Questions regarding whether a defendant has status as an “owner or principal occupant” appear to be legal questions decided by the court.

1. MCL 750.539d(1)(a).
2. The Committee on Model Criminal Jury Instructions believes that the statute does not encompass recording conversations or events under MCL 750.539a(2) where the person recording them is a participant because Michigan appears to be a one-party consent state. *See Sullivan v Gray*, 117 Mich App 476; 324 NW2d 58 (1982), cited in *Lewis v LeGrow*, 258 Mich App 175; 670 NW2d 675 (2003), and *Fisher v Perron*, 30 F4th 289 (6th Cir 2022).
3. *Private place* is defined in MCL 750.539a(1).

**[NEW] M Crim JI 41.3a Placing Eavesdropping or Surveillance
Devices for a Lewd or Lascivious Purpose**

(1) The defendant is charged with the crime of placing an eavesdropping or surveillance device for a lewd or lascivious purpose. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that the defendant [installed / placed / used] a device for observing, recording, transmitting, photographing, or eavesdropping on the sounds or events in a residence.

(3) Second, that the location that the device could observe, record, photograph, or eavesdrop was a private place in or around the residence.¹

A private place is one where a person could reasonably expect to be safe from casual or unwanted intrusion or surveillance.

(4) Third, that the defendant did not have the permission or consent of [(*identify complainant(s) if possible*) / the person or persons entitled to privacy at (*provide location of device*)] to be observed, recorded, photographed, or eavesdropped on.

(5) Fourth, that the defendant installed, placed, or used the device for a lewd or lascivious purpose.

A lewd or lascivious purpose means that the device was placed to observe or record [(*identify complainant*) / a person] under indecent or sexually provocative circumstances.

Use Note

This instruction should only be given when the defendant is the owner or principal occupant of the residence where an eavesdropping device was alleged to have been placed. Questions regarding whether a defendant has status as an “owner or principal occupant” appear to be legal questions decided by the court.

1. *Private place* is defined in MCL 750.539a(1).

**[NEW] M Crim JI 41.3b Transmitting Images or Recordings
Obtained by Surveillance or
Eavesdropping Devices**

(1) The defendant is charged with the crime of transmitting images or recordings obtained by surveillance or eavesdropping devices. To prove this charge, the prosecutor must prove both of the following elements beyond a reasonable doubt:

(2) First, that the defendant intentionally distributed, disseminated, or transmitted a recording, photograph, or visual image of [*identify person or complainant*] so that the recording or visual image could be accessed by other persons.

(3) Second, that the defendant knew or had reason to know the recording or visual image of [*identify person or complainant*] that [he / she] transmitted was obtained using a device for eavesdropping¹ that had been placed or used where a person would have a reasonable expectation of privacy that was safe from casual or unwanted intrusion or surveillance.²

Use Note

1. MCL 750.539d(1)(a) describes these devices as “any device for observing, recording, transmitting, photographing, or eavesdropping upon the sounds or events in that place.”

2. *Private place* and *surveillance* are defined in MCL 750.539a(1) and (3).

Public Policy Position
M Crim JI 41.3, 41.3a, and 41.3b

Support

Explanation

The committee voted unanimously (17) to support the adoption of the Model Criminal Jury Instructions.

Position Vote:

Voted For position: 17

Voted against position: 0

Abstained from vote: 0

Did not vote (absence): 7

Contact Persons:

Nimish R. Ganatra ganatran@washtenaw.org

John A. Shea jashea@earthlink.net

**Public Policy Position
M Crim JI 41.3, 41.3a, and 41.3b**

Support

Position Vote:

Voted for position: 18

Voted against position: 0

Abstained from vote: 0

Did not vote: 0

Contact Person: Edwar Zeineh

Email: edwar@zeinehlaw.com

CALENDAR
STATE BAR OF MICHIGAN REPRESENTATIVE ASSEMBLY
SATURDAY, APRIL 20, 2024

Crowne Plaza / 925 S. Creyts Rd. / Lansing, MI 48917

*Denotes Action Items

9:30 A.M. MEETING BEGINS

- 9:30 a.m. 1. Introductory Matters
- A. Call to order by Chair Yolanda M. Bennett with Parliamentarian Hon. John M. Chmura
- Yolanda M. Bennett, Chair, Representative Assembly
[Social Security Administration OHO, 1016 Boynton Dr, Lansing, MI 48917
email: yolanda.bennett426@gmail.com]
- Hon. 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 by Assembly Clerk, Ms. Nicole A. Evans
[54B District Court, 101 Linden St, East Lansing, MI 48823-4311
phone: (517) 336-8636; email: Nevans@54BDistrictCourt.com]
- C. Adoption of proposed calendar by Rules & Calendar Chair, Ms. Deborah K. Blair
[Wayne County Prosecutor's Office, 1441 Saint Antoine St Fl 11, Detroit, MI 48226-2362
phone: (313) 224-8861; email: dblair@waynecounty.com]
- D. Approval of the September 21, 2023 Summary of Proceedings
- 9:35 a.m. 2. *Filling Vacancies
- Mr. Phillip Louis Strom, Chair, Assembly Nominating & Awards Committee
[City of Grand Rapids, 300 Monroe Ave NW Unit 1, Grand Rapids, MI 49503-2206
phone: (616) 456-4000; email: pstrom@grand-rapids.mi.us]
- 9:40 a.m. 3. *Approval of 2024 Award Recipients
- Mr. Phillip Louis Strom, Chair, Assembly Nominating & Awards Committee
[City of Grand Rapids, 300 Monroe Ave NW Unit 1, Grand Rapids, MI 49503-2206
phone: (616) 456-4000; email: pstrom@grand-rapids.mi.us]
- 9:50 a.m. 4. Chair's Report
- Yolanda M. Bennett, Chair, Representative Assembly
[Social Security Administration OHO, 1016 Boynton Dr, Lansing, MI 48917
email: yolanda.bennett426@gmail.com]
- 10:00 a.m. 5. *Judicial Officers Participation: Proposal to Amend Michigan Code of Judicial Conduct Canon 4
- Proponent:
Hon. Terry I. Clark, Chair, SBM Standing Committee on Judicial Ethics
[70th District Court – Division 1, 111 S Michigan Ave, Saginaw, MI 48602-2019
phone: (989) 790-5371; email: d70-6@saginawcounty.com]

- 10:25 a.m. 6. *Prevailing-Party Attorney Fees: Proposal to Amend Michigan Court Rules 2.110 and 2.501
Proponent:
Mr. Daniel D. Quick, President, State Bar of Michigan
[Dickinson Wright, PLLC, 2600 W. Big Beaver Rd., Ste. 300, Troy, MI 48084-3312
phone: (248) 433-7242; email: dquick@dickinsonwright.com]
- 10:50 a.m. 7. *Public Access to Recording of Court Proceedings: Proposal to Amend Michigan Court Rule 8.109
Proponent:
Mr. Daniel S. Korobkin, Co-Chair, Access to Justice Policy Committee
[ACLU, 2966 Woodward Ave., Detroit, MI 48201-3035
phone: (313) 578-6824; email: dkorobkin@aclumich.org]
- 11:15 a.m. 8. Adjournment



p 517-346-6300
p 800-968-1442
f 517-482-6248
www.michbar.org

To: Board of Commissioners
From: Joseph McGill, Awards Committee Chair
Date: April 9, 2024
Subject: 2024 State Bar Award Nominations

306 Townsend Street
Michael Franck Building
Lansing, MI
48933-2012

The State Bar of Michigan Awards Committee met on Tuesday, April 9, 2024, and recommends the following people receive 2024 State Bar of Michigan Awards:

Roberts P. Hudson Award

The committee recommends one individual: **Former Michigan Supreme Court Chief Justice Maura D. Corrigan.**

Frank J. Kelley Distinguished Public Service Award

The committee recommends two individuals: **Edward Plawecki, Jr., William Wolfson.**

Champion of Justice Award

The committee recommends four individuals: **Marilena David, Andrew Densemo, Bonsitu Kitaba-Gaviglio, Erika Riggs.**

Kimberly M. Cahill Bar Leadership Award

The committee did not receive any nominations for the 2023-2024 year.

John W. Reed Michigan Lawyer Legacy Award

The committee recommends one individual: **Professor Gary Maveal.**

The committee will recommend a Liberty Bell Award winner to the Board at the Board’s June meeting.

Memorandum

To: State Bar of Michigan
Communications and Member Services Commissioner Committee (CAMS)

From: Ashley Lowe, Justice Initiatives Committee Chair
Robert G. Mathis Jr., Justice Initiatives Committee Staff Liaison

Date: April 9, 2024

Re: 2024 John W. Cummiskey Award Recipient Nominee — Wendy Richards

The Justice Initiatives (JI) Committee requests that CAMS support its recommendation that Ms. Wendy Richards receive the 2024 John W. Cummiskey Award. Ms. Richards's longstanding commitment to pro bono service made her a standout for this year's award. The nomination materials submitted on Ms. Richards's behalf are attached.

Ms. Richards is active in professional and civic groups such as the Access to Justice Fund Statewide Steering Committee, Goodwill Detroit, and the Association of Pro Bono Counsel, where she has co-chaired its Voting Rights Task Force for over six years. Ms. Richards is also the co-chair of Miller Canfield's Election Law group.

Miller Canfield's signature pro bono project throughout 2022 was the Road to Restoration initiative, which emerged from a brainstorming session with Ms. Richards and Khyla Craine, Deputy Legal Director at the Michigan Department of State, on how best to assist drivers in need of restoring their driving privileges.

Among Ms. Richards's other notable matters are:

- In cooperation with the ACLU of Michigan and others, I obtained an injunction in a national habeas class action to prevent the imminent deportation of hundreds of Iraqi nationals without due process in the immigration courts. Clients are primarily Catholic, Kurdish, and other religious and ethnic minorities, facing persecution, torture, and possibly death if returned to Iraq. The team also successfully obtained an injunction ordering bond hearings to determine if the roughly 300 class members in prolonged detention should be released.

- Took the lead role among 14 firms nationwide in coordinating a 50-state poll worker guide project on behalf of The Brennan Center for Justice, Lawyers' Committee for Civil Rights, and Association of Pro Bono Counsel, providing information on the application, scope of duties, and high priority state-specific issues. Building upon the work of the guides, coordinated with the Stanford-MIT Healthy Elections Project and the Association of Pro Bono Counsel, encouraging lawyers and law students nationwide to apply for the critical job of serving as poll workers on Election Day in 2020.
- To address COVID-19's devastating economic effects, Ms. Richards established the remote COVID-19 Small Business Clinic in Detroit with Michigan Community Resources and the Lawyers for Good Government Foundation. Ms. Richards co-created and has chaired the Small Business Legal Academy Detroit, which has partnered with Detroit Start-up Week to hold clinics where would-be entrepreneurs can obtain pro bono legal assistance with common business questions and issues.

There were six impressive nominees for the 2024 John W. Cumiskey Award. Therefore, the JI Committee formed a subcommittee to thoroughly review the nomination materials and recommend a recipient for the award to the entire membership of the JI Committee. By e-vote, the JI Committee members unanimously voted to adopt the subcommittee's recommendation that Wendy Richards receive this year's award.

Therefore, we ask that CAMS support and approve the JI Committee's recommendation that Wendy Richards receive the 2024 John W. Cumiskey Award, followed by a recommendation and motion to the Board of Commissioners for approval.


Cummiskey Pro Bono Award (2023)

COMPLETE #3


(v12.19.22)

Deadline: Friday, March 3, 2023

CREATED

 PUBLIC
Mar 2nd 2023, 3:16:53 pm

IP ADDRESS

 97.70.65.68

* Name of Nominee:

Wendy Richards

Title:

Pro Bono Counsel

Firm or Organization:

Miller, Canfield, Paddock and Stone PLC

Address:

150 W. Jefferson, Suite 2500, Detroit MI 48226

Phone:

313.496.7532

Email:

richards@millercanfield.com

* Name of Nominator:

Megan Norris

* Title:

CEO

Firm or Organization:

Miller, Canfield, Paddock and Stone, PLC

* Address:

150 W. Jefferson, Suite 2500, Detroit MI 48226

* Phone:

313.496.7594

*** Email:**

norris@millercanfield.com

Nomination Letter - REQUIRED

robert_mathis__state_bar.pdf

Additional Document - OPTIONAL

Additional Document - OPTIONAL

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

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March 2, 2023

Robert Mathis
State Bar of Michigan
306 Townsend St.
Lansing, Michigan 48933-2012

Mr. Mathis,

On behalf of Miller Canfield, I am proud to nominate Wendy Richards for consideration for the Cummiskey Pro Bono Award.

We first met Wendy when she joined us in our Litigation and Dispute Resolution Group, where for nine years she handled numerous multimillion-dollar actions involving securities, intellectual property and complex litigation. In 2013, she left the firm to work for Michigan Community Resources, where she helped launch the Small Business Legal Academy Detroit and led initiatives to develop community support for fundraising and entrepreneurship in underserved areas.

Wendy returned to the firm in 2016 to lead Miller Canfield's pro bono initiatives as Pro Bono Counsel. Since then, she has taken what was an already active pro bono team and turned it into a [nationally recognized](#) pro bono program. Her efforts garnered national attention, and she was invited to serve on the prestigious [Lawyers' Committee](#) for Civil Rights Under Law [Executive Committee](#) alongside her peers from firms such as Kirkland & Ellis, Ballard Spahr, Arnold & Porter, Hogan Lovells and other firms that are among the largest and most prestigious in the country.

She is active in professional and civic groups such as the State Bar of Michigan Access to Justice Statewide Steering Committee, Goodwill Detroit, and the Association of Pro Bono Counsel, where she has served as the co-chair of its Voting Rights Task Force for over six years. Wendy also is the co-chair of Miller Canfield's Election Law group.

Miller Canfield's signature pro bono project throughout 2022 was the Road to Restoration initiative, which emerged from a brainstorming session with Wendy and the Khyla Craine, Deputy Legal Director at the Michigan Department of State, on how best to assist drivers in need of restoring their driving privileges.

In late 2021, the Michigan Legislature passed a suite of laws that would give Michigan residents whose drivers' licenses had been revoked or suspended a simpler path to renew them. These new laws removed some of previous barriers to restoration. Nonetheless, many former motorists either didn't know about the new laws or didn't know what final steps they needed to take to restore their driving privileges. At the same time, many employers were struggling to attract enough licensed workers, a trend that had started before—but was exacerbated by—the pandemic.

That's where Wendy stepped in. Working with the Michigan Department of State, the Michigan Attorney General's Office, DTE Energy, and the Detroit Justice Center, our coalition designed and hosted 18 clinics in 11 cities across Michigan and served more than 4,000 Michiganders.

These comprehensive “one-stop shop” clinics have an on-site mobile Secretary of State branch, triage stations staffed by experts in various aspects of restoration, local court administrators to process fine and fees payments, and one-on-one legal assistance from legal volunteers. The clinics occur in locations throughout the state to ensure all can participate. In addition to providing direct service, an auxiliary goal of these clinics is to train a wide berth of attorneys in drivers' license restoration law, particularly in remote areas where pro bono support is already limited. Because of this, Miller Canfield recruits volunteer attorneys from the local communities. To assist, Wendy and the Detroit Justice Center developed and executed an attorney training program with recorded and live trainings and easy-to-follow scripts and reference materials.

More than 4,000 people attended the clinics in 2022, and Wendy is collaborating on 12-15 more in 2023. Wendy not only attended almost all of the clinics, but she was instrumental in recruiting, creating training materials, training the legal professional volunteers and connecting us to the legal aid community. At the end of 2022, the Department of State talked to 1,300 people who had participated in the clinics. Of those, about 120 had already gotten their driving privileges back. Another 90 were on track to do so as soon as they were able to pay reinstatement fees. And another group of participants had started the process, but will have to go through a hearing, which takes a bit longer.

Wendy's value in this initiative cannot be overstated. Recently, Michigan Department of State Deputy Legal Director Khyla Craine said: “I got to know Wendy and her work and her passion surrounding elections and voting rights. In 2021, my office had been talking to DTE Energy about eliminating barriers that some of their trainees were facing when they were trying to obtain commercial driver's licenses after having had their driving privileges revoked. At about the same time, our state legislature had recently passed a suite of laws that would make motorists eligible to regain their licenses.

“My first phone call was to Wendy. We got together to talk about how we could present legal clinics to help. Wendy has longstanding and deep relationships with the legal pro bono community and was able to connect me to so many great people, like Lakeshore Legal Aid, which works on legal clinics all the time. She connected me to DTE Energy, and we all got

together to work on the goals of the initiative, which wound up being 18 clinics throughout the state of Michigan. ... It's a great achievement, which was made possible by collaborating with Wendy and Miller Canfield."

And from DTE Energy Senior Communications Strategist Elizabeth Durham Adragna: "What first comes to mind when I think about how Miller Canfield is unique is the way they walk the talk. So often we see companies in every arena with fancy web pages with a lot of words about their work and impact, but when it comes down to it, the way Wendy and Miller Canfield commit to pro bono and shows up in tangible and impactful ways is something that I found to be really remarkable. That means that the mission is not just a mission statement. It's a mission felt, a mission taken up and a mission that unfolds. It's bringing out an arsenal of volunteer attorneys and making a true impact.

"We could not do this work without Miller Canfield. And it's such a renowned and prestigious firm, and to know that behind that reputation, their generosity shows up in tangible ways, that's really exceptional."

Among Wendy's other notable matters are:

- In cooperation with ACLU of Michigan and others obtained an injunction in a national habeas class action to prevent the imminent deportation of hundreds of Iraqi nationals without due process in the immigration courts. Clients are primarily Catholic, Kurdish and other religious and ethnic minorities, facing persecution, torture and possibly death if returned to Iraq. The team also successfully obtained an injunction ordering bond hearings to determine if the roughly 300 class members that have been in prolonged detention should be released.
- Took the lead role among 14 firms nationwide in coordinating a 50-state poll worker guide project on behalf of The Brennan Center for Justice, Lawyers' Committee for Civil Rights and Association of Pro Bono Counsel, providing information on application, scope of duties, and high priority state-specific issues. Building upon the work of the guides, coordinated with the Stanford-MIT Healthy Elections Project, and the Association of Pro Bono Counsel encouraging lawyers and law students nationwide to apply for the critical job of serving as poll workers on Election Day in 2020.
- To address COVID-19's devastating economic effects, Wendy established the remote COVID-19 Small Business Clinic in Detroit with Michigan Community Resources and the Lawyers for Good Government Foundation. Wendy co-created and has chaired the Small Business Legal Academy Detroit, which has partnered with Detroit Start-up Week to hold clinics where would-be entrepreneurs can obtain pro bono legal assistance with common business questions and issues.

- Coordination of counsel to assist travelers detained at the Detroit Metropolitan Wayne County Airport following implementation of Executive Order 13769 related to travel restrictions. Wendy coordinated the dispatch of a team of attorneys to the airport to be available to answer questions and provide support for those traveling to the United States and who were detained in January 2017.

Wendy has earned numerous honors and recognitions for her work, including:

- The Fellows of the Michigan State Bar Foundation
- 2021 Crain's Detroit Business Notable Women in Law
- Detroit Bar Association Pro Bono Awardee, 2021
- DBusiness Magazine, Top Lawyers, Commercial Litigation, 2021-present; Nonprofit/Charities Law, 2022
- State Bar of Michigan Pro Bono Honor Roll, 2020-present
- Michigan Lawyers Weekly, "Women in the Law," Class of 2018
- Criminal Defense Attorneys of Michigan, Exceptional Achievement honorarium, 2018

For all of these reasons and the tremendous amount of value Wendy provides not only to the firm but to the legal community and the communities we serve, I am proud to nominate her for consideration for Cummiskey Pro Bono Award recognition.

Sincerely,

Miller Canfield Paddock and Stone, PLC

By: _____
Megan Norris, CEO

SBM

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