



Section Dissolution

**Adopted by the Board of Commissioners
July 23, 2021**

Under the Supreme Court Rules Concerning the State Bar of Michigan, the Board of Commissioners (“BOC”) has plenary power to create new State Bar sections, combine them, change their names, and dissolve them.¹ Section dissolution is addressed in the SBM Bylaws as follows:

Article VII—Sections

Section 1—Establishment and Discontinuance.

At the discretion of the Board of Commissioners, a Section may be established or discontinued, and existing Sections may be combined and their names changed, upon motion by a Commissioner or upon written petition from an existing Section or a group of active SBM licensees in good standing requesting to form a new Section.

On April 24, 2020, the BOC approved the following list of ten (10) impartial/empirical criteria, or “red flags” that will cause heightened scrutiny and may lead to dissolution of a State Bar Section:

1. The section engages in non-*Keller* activities.
2. The section violates SBM bylaws.
3. A State Bar licensee complains about being denied membership in the section.
4. The section violates a provision of its own bylaws.
5. The section fails to meet the SBM deadline for submitting its annual report.
6. The section fails to meet the SBM deadline for holding an annual meeting or reporting election results.
7. The section violates any other SBM policy or procedure.
8. The section’s year-end expenses exceed its account balance or the account balance falls to a level that makes it more likely than not that the section’s year-end expenses will exceed its account balance.
9. A section member complains about treatment by the section.
10. Section membership falls below 150.

¹ “New sections may be established and existing sections may be combined or discontinued or their names changed by the [BOC] in a manner provided by the bylaws.” Rule 12, Section 1.



Section Dissolution

Throughout the bar year, SBM staff works with sections to provide support and help them remain active, in compliance, and successful.

In August each year, SBM staff reviews all sections. Should staff find one or more of the listed “red flags,” staff will provide notice to the last-known section council. The written communication will review all ten dissolution criteria and explain the section’s status under each. Where a section is out of compliance, the message will include an explanation and an opportunity to cure, including the following guidance, steps, and deadlines:

1. The section engages in non-*Keller* activities.

Keller violations will be addressed on a case-by-case basis.

2. The section violates SBM bylaws.

The most common violation of SBM bylaws is failure to comply with Article VII, Section 2—Officers, which states in part, “[e]ach Section shall have a Chair, a Chair-Elect, a council and such other officers as the Section Bylaws may provide. ...” Each section has its own bylaws with its own defined terms for each officer and council member. Failure to report election results within two weeks after an election shall be considered a violation of SBM Bylaws Article VII.

Opportunity to Cure:

A section simply cannot function without a council and officers. Accordingly, this type of defect must be cured very early in the bar year if a section is to survive and move forward to serve its members. After SBM staff notifies a section’s last-known council, in August, that the section has violated SBM Bylaws Article VII Section 2, the section will have until **no later than January 30** of the following calendar year to hold an election in compliance with the section’s bylaws and report the election results to SBM staff.

A section will dissolve automatically on January 30 if, by that date, the section has not provided to staff (1) evidence of a valid election conducted in accordance with the section’s own bylaws and (2) a council roster that includes a Chair, Chair-Elect, and all officers and council members required by the section’s bylaws.

All other violations of SBM bylaws will be addressed on a case-by-case basis.

3. A State Bar licensee complains about being denied membership in the section.

Denial of section membership will be addressed on a case-by-case basis.



Section Dissolution

4. The section violates a provision of its own bylaws.

The most common violations of a section's own bylaws include failure to:

- hold an annual meeting
- conduct meetings in accordance with the section's bylaws (council, committee, full section membership meetings, as specified in the section's bylaws)
- appoint committee chair(s)
- appoint members to a committee (or committees)
- fill vacancies on the council or committees

Opportunity to Cure:

Most of these defects can be easily cured during the bar year working with staff. However, if such defects remain in August, the section's council will receive written notice. After the council receives notice, in August, that the section remains in violation of its own bylaws, the section must cure all defects **no later than May 1** of the following calendar year.

A section will dissolve automatically on May 1 if, by that date, it has not cured all defects following August notice that the section is out of compliance with its own bylaws.

5. The section fails to meet the SBM deadline for submitting its annual report.

Staff will continue to work with sections to ensure they submit annual reports each year, even after the deadline. Failure to submit an annual report at all for two consecutive bar years will lead to automatic dissolution of the section.

6. The section fails to meet the SBM deadline for holding an annual meeting or reporting election results.

See criterion #2, above.

7. The section violates any other SBM policy or procedure.

The most common violation here is a section's failure to post to its own SBM website minutes from council/committee/full membership meetings. In the absence of any other "red flag," SBM staff will continue to work with sections to cure this type of defect.

All other violations of SBM policy or procedure will be addressed on a case-by-case basis.

8. The section's year-end expenses exceed its account balance or the account balance falls to a level that makes it more likely than not that the section's year-end expenses will exceed its account balance.

Financial issues will be addressed on a case-by-case basis.



Section Dissolution

9. A section member complains about treatment by the section.

Section member complaints will be addressed on a case-by-case basis.

10. Section membership falls below 150.

Concerns with section membership numbers will be addressed on a case-by-case basis.

Please note that nothing in this document serves to dilute or diminish the BOC's sole authority to create, dissolve, combine, and/or re-name State Bar Sections under the Supreme Court Rules Concerning the State Bar of Michigan and SBM Bylaws.

For further guidance and support, please contact the SBM Outreach Team:

Darin Day,
Director of Outreach
(517) 346-6330
dday@michbar.org

Jenn Hatter,
Lawyer Services and Outreach (LSO) Coordinator
(517) 346-6414
jhatter@michbar.org