

December 9, 2004

MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS

A regular meeting of the Board of Governors of the State Bar of Nevada was convened on December 9, 2004, at the Golden Nugget Resort and Casino in Las Vegas, Nevada.

The following members were in attendance:

Ann Price McCarthy	...	President
Vincent A. Consul	...	President-Elect
Rew R. Goodenow	...	Vice President
N. Patrick Flanagan III	...	Immediate Past President
Constance Akridge		
Nancy L. Allf		
Bruce T. Beesley		
James Bradshaw		
Kathleen J. England		
Cam Ferenbach		
Dara J. Goldsmith		
Gregory J. Kamer		
Richard Morgan		
Bridget Robb Peck		
John P. Schlegelmilch		
Bruce I. Shapiro		
William C. Turner		

STATE BAR STAFF PRESENT:

Allen W. Kimbrough
Rob Bare
Audrey Bath
Marc Mersol

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Georgia Taylor

GUESTS PRESENT:

Lauren Diefenbach

Jennifer Sloan Hilsabeck

Jeremy Hilsabeck

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1. CALL TO ORDER AND INTRODUCTIONS

The meeting was called to order by the President at 9:26 a.m. and a quorum was declared.

2. CONSENT ITEMS

Board members requested the removal of items 2D, 2G, and 2K. The following items were thereafter approved by unanimous consent:

2A. The Minutes of the October 20, 2004 meeting of the Board;

2B. The Minutes of the November 18, 2004 meeting of the Operations Committee;

2C. The Reports on the Financial Condition of the State Bar and the Nevada Bar Foundation as of October 31, 2004;

2E. Report of the Midyear Meeting Planning Committee;

2F. Report of the Member Services Committee;

2H. Appointment of Kim Mandelbaum to the Committee on Ethics and Professional Responsibility;

2I. Appointment of the following persons to the Fee Dispute Arbitration Committee:

Michael Navratil	Las Vegas Panel A
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Robert Gerard	Las Vegas Panel B
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Halina Jones	Las Vegas Panel B
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Archie McRimmon, Jr., CPA	Las Vegas Panel B
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Michael Villani	Las Vegas Panel B;
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2J. Report of Executive Director;

2L. Report of Director of Admissions;

2M. Report of Director of Communications;

2N. Report of Director of Continuing Legal Education; and

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2O. Report of Law Related Education Coordinator.

The following actions were taken on items removed from the Consent Agenda:

2D. Paragraph 2 of the written report of the Compensation and Personnel Committee was revised to replace the word "Board" with "Committee" and thereafter approved.

2G. Jeremy Hilsabeck, Chair of the Young Lawyers Section, presented an oral report on the activities of the Section in supplementation of a written report that he distributed to the Board.

2K. Bar Counsel Rob Bare responded to questions regarding the potential claims to be levied against the Client Security Fund as a result of the Lawrence Davidson situation.

The Board made the following appointments and reappointments to the Southern Nevada Disciplinary Board:

Bernard Zadrowski, Vice-Chair	February 2006
Gary Branton	January 2008
Shelley Krohn	January 2008
Aurora Maskall	January 2008
Bridget Branigan (alternate attorney)	January 2008
Erin Beesley (lay member)	January 2008
Hugh Conwell (lay member)	January 2008
Michelle Gex (lay member)	January 2008
Marlene Kolicius (lay member)	January 2008
Susan Krenzien (lay member)	January 2008
Mark Nichols (lay member)	January 2008
John Sullivan (lay member)	January 2008
Norma Whitney (lay member)	January 2008
Joe Lucero (alternate lay member)	January 2008

Ms. Goldsmith abstained as to the reappointment of Ms. Krohn. Kenneth Myers was not reappointed as he had been suspended for non-payment of dues.

The Board re-designated Gerald Waite as a primary attorney panel member. The Board also noted the absence of any alternate attorney members of the Northern Nevada Disciplinary Board and requested that Mr. Bare attempt to recruit new members.

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3. CONSIDER REPORT OF BUDGET COMMITTEE AND 2005 OPERATING BUDGET

President-Elect Consul, as Chair of the Budget Committee, presented the Committee's report, which recommended approval of the 2005 Operating Budget for the State Bar as presented. Mr. Consul and Director of Finance and Information Systems Marc Mersol responded to questions from Board members regarding various aspects of the Budget.

On motion made by Vice President Goodenow and seconded by Mr. Beesley, the Board approved the 2005 Operating Budget by a vote of 12-1.

4. ANNUAL REVIEW OF EXECUTIVE DIRECTOR

In Executive Session the Board discussed the recommendations of the Operating Committee regarding the annual review of the Executive Director. The Board approved certain compensation and benefits for Executive Director Kimbrough and provided the following goals to Mr. Kimbrough for 2005:

1. Attention to and improvement of the personnel management function of the State Bar.
2. Plan for expansion of Southern Nevada Bar offices.
3. Develop more formal and expert Annual and Midyear Meeting plans which include fiscal responsibility.
4. Adaptation of staff functions to support prospective Board of Governor restructure.
5. Promote the presence of the Northern Nevada Bar Center and its operations.

5. CONSIDER RESTRUCTURE OF STATE BAR STAFF

Continuing in Executive Session, the Executive Director reviewed with the Board a confidential memorandum concerning a restructuring of the State Bar Staff. Following a lengthy discussion, the Board approved by a vote of 13-1 a motion (1) eliminating the Communications Department and outsourcing the editing of *Nevada Lawyer* to Mae Flennoy and (2) expanding the State Bar staff by up to two new employees.

6. CONSIDER MATTERS RELATED TO CLIENT SECURITY FUND

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Lauren Diefenbach, a member of the Client Security Fund Committee and Georgia Taylor, staff Coordinator for the CSF, appeared before the Board to discuss the current shortfall in funding of claims against the fund.

The Board unanimously approved the following items: (1) the transfer of \$5,209 from the funds set aside to pay claims related to John Fadgen to the 2004 CSF pool, and (2) a budget amendment increasing the amount contributed by the State Bar to the CSF by \$23,000.

The Board also engaged in discussions with the representatives of the CSF regarding whether there was a need for an increase in the size of the Fund in order to provide better relief to the victims of attorneys' malfeasance. The CSF suggests that the amount contributed per lawyer be increased from \$15 to \$30.

As a result of these discussions, the Board appointed a Task Force to be chaired by Mr. Kamer to review this issue for a possible change in the 2006 Operating Budget. Additional members of the Task Force would be Ms. Goldsmith, Gene Leverty, and David Amesbury with staff support to be provided by Ms. Taylor, Mr. Kimbrough, and Mr. Mersol. [Lauren Diefenbach was subsequently added to the Task Force by the Chair.] The Task Force was requested to report back to the Board at the February meeting.

7. CONSIDER MATTERS RELATED TO BUSINESS LAW SECTION

Robert Kim, Chair of the Business Law Section, appeared before the Board to present the proposed legislative agenda of the Section for consideration at the 2005 Session of the Nevada Legislature. The Board unanimously authorized the Section to go forward with its proposed revisions to the Nevada Revised Statutes.

8. CONSIDER APPOINTMENT OF TEMPORARY MEMBERS OF JUDICIAL SELECTION COMMISSION

The Board appointed Bradley L. Kenny as the temporary member for Clark County, and appointed Scott Freeman (for the District Court vacancy) and Shawn B. Meador (for the Family Court vacancy) as the temporary members for Washoe County.

9. CONSIDER MATTERS RELATED TO LEGAL ASSISTANTS DIVISION

The Board reviewed the report and analysis prepared by Bar Counsel concerning a potential certification program for legal assistants. The Board's unanimous determination was that Mr. Bare's report should be adopted and that the number of persons potentially affected would not support the implementation of such a program.

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10. CONSIDER APPOINTMENTS TO NEVADA BOARD OF CONTINUING LEGAL EDUCATION

The Board reappointed Stacie Brown and Harriet Cummings to the CLE Board with terms expiring December 31, 2006, and reappointed Daniel F. Polsenberg to a term expiring December 31, 2007.

11. CONSIDER MATTERS RELATED TO EIGHTH JUDICIAL DISTRICT PRO BONO FOUNDATION

The Board accepted (with one dissent) the resignation of Mr. Consul as the State Bar's representative on the Board of the Eighth Judicial District Pro Bono Foundation. Ms. Allf was elected to replace Mr. Consul by acclamation (with Ms. Allf abstaining).

12. CONSIDER MATTERS RELATED TO NORTHERN NEVADA BAR CENTER

The Board accepted the joint recommendation of Mr. Kimbrough and Mr. Mersol that there be no additional debt incurred in connection with the construction and furnishing of the Northern Nevada Bar Center.

13. CONSIDER MATTERS RELATED TO SCR 49.1 DEALING WITH CLINICAL FACULTY

The Board tabled discussion of a request from Dean Morgan to consider revisions to SCR 49.1 concerning clinical law faculty members to which objections were raised by the Board of Bar Examiners.

14. CONSIDER ISSUES RELATED TO STATE BAR STRATEGIC PLAN

The Board affirmed the Mission Statement and Goals for the State Bar and tabled further discussion of the strategic plan.

15. REPORT OF PRESIDENT

The President discussed various matters with the Board, including the 2005 Annual Meeting in Santa Fe and proposed revisions to the Federal Rules of Practice and Procedure.

16. CONSIDER INFORMATIONAL ITEMS

The Board discussed various of matters presented as informational items, including consideration of judicial improvements.

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17. ADJOURNMENT

Following a statement from the President expressing her appreciation to the Board members for their service, the meeting was adjourned at 3:01 p.m.

Respectfully submitted,

Ann Price McCarthy
President

Allen W. Kimbrough
Executive Director