

June 22, 2005

REVISED MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS

A Meeting of the Board of Governors of the State Bar of Nevada was convened on June 22, 2005, in the Santa Fe Room of the La Fonda Hotel in Santa Fe, New Mexico.

The following members were in attendance:

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

MEMBERS ABSENT:

Bruce I. Shapiro

STATE BAR STAFF PRESENT:

Allen W. Kimbrough
Rob Bare
Audrey Bath

June 22, 2005

REVISED MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS

Christopher Boadt

Marc Mersol

GUESTS PRESENT:

Ed Kainen

June 22, 2005

REVISED MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS

1. CALL TO ORDER AND INTRODUCTIONS

The meeting was called to order by the President at 8:37 a.m. and a quorum was declared. Ms. McCarthy welcomed the Board to Santa Fe and discussed plans for the day.

2. CONSENT ITEMS

The Board agreed that the following items should be removed from the list of Consent Items: 2 and 5. The remainder of the Consent Items were accepted or approved unanimously, as follows:

- Report of Director of Finance and Information Systems and Financial Statements as of April 30, 2005
- Report of Young Lawyers Section
- Appointments to Fee Dispute Arbitration Committee
- Appointment to Client Security Fund Committee
- Report of Director of Admissions
- Report of Director of Bar Services

Item 2 (Minutes of May 11, 2005 Meeting). It was noted that there was no mention of a discussion of attorney bar examinations and that such item should be included on the August 24 agenda.

Item 5 (Disciplinary Boards). The following persons were appointed as alternates to the Southern Nevada Disciplinary Board: Peter M. Angulo, Hector J. Carbajal II (with Mr. Ferenbach abstaining), James R. Christensen, Ike Lawrence Epstein, J. Rusty Graf, Lary G. Lamoreux, and Michael P. Mersch. The following persons were appointed as alternates to the Northern Nevada Disciplinary Board: John. P. Echeverria, Michael A. Pintar, Matthew L. Sharp, John Paul Schlegelmilch, and Thomas Stockard. Mr. Schlegelmilch was thereafter elevated to the primary panel to replace newly-elected Board member Francis Flaherty.

3. CONSIDER MATTERS RELATED TO FAMILY LAW SECTION

Ed Kainen, Immediate Past Chair of the Family Law Section, appeared before the Board to discuss two matters of interest to the Section.

By a margin of 11-1, the Board voted to approve the Section's application for the creation of a specialty certification in Family Law, subject to all pertinent materials related to the certification examination be provided to the Board in advance for its approval.

June 22, 2005

REVISED MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS

The Board (with Mr. Schlegelmilch abstaining) approved the brief *amicus curiae* to be filed by the Section in the Supreme Court of Nevada case *Potter v. Potter*.

4. CONSIDER MATTERS RELATED TO THE GAMING LAW SECTION

The Board ratified the appointments of Michael J. Bonner, Lou Dorn, John A. Godfrey, and Scott Scherer to the Section's Executive Committee.

5. CONSIDER MATTERS RELATED TO PUBLIC LAWYERS SECTION

The Board approved the Bylaws (with typographical errors noted) of and the officers and executive council for the Section.

6. CONSIDER FORMATION OF LABOR AND EMPLOYMENT LAW SECTION

The Board approved the formation of a new section for Labor and Employment Law and ratified its bylaws and slate of initial officers (James E. Berchtold, Chair).

7. REPORT OF DIRECTOR OF OPERATIONS AND EDUCATION

Christopher Boadt, Director of Operations and Education, appeared before the Board to discuss various matters.

The Board appointed Douglas A. Cannon of Reno and Scott Thomas of Las Vegas to the CLE Seminars Committee.

The Board appointed Ryan Sullivan of Reno to the CLE Publications Committee.

Mr. Boadt and Mr. Kimbrough briefed the Board on the need for a new roof on the Las Vegas bar center and reviewed the three pertinent bids with them. A motion to award the contract to Economy Roofing (subject to the company meeting requisite bonding requirements) was subsequently tabled in order to provide time for further investigation.

Thereafter, on motion made and seconded, the Board agreed that final approval for the roof would be delegated to the Executive Committee in an amount not to exceed \$90,000.

June 22, 2005

REVISED MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS

Mr. Boadt also called the Board's attention to the CLE/annual meeting survey and the Board discussed its ramifications.

8. CONSIDER NEW STAFF POSITION IN ADMISSIONS DEPARTMENT

The Board (with one dissent) approved the creation of a new admissions assistant/filing clerk position in the Admissions Department.

9. CONSIDER REQUEST OF BOARD OF BAR EXAMINERS REGARDING APPRENTICESHIP STUDY

Following a review of correspondence from Richard Trachok, Chair of the Board of Bar Examiners, the Board appointed Mr. Flanagan and Ms. Alf to the task force chaired by the Hon. David Hagen charged with considering the addition of an apprenticeship requirement for bar admission in Nevada.

10. CONSIDER POLICY REGARDING PARTICIPATION IN CONTINUING LEGAL EDUCATION PROGRAMS

Paragraphs one and four of the policy drafted by Ms. England having been approved at a prior meeting, the following language was substituted for paragraphs two and three of the original:

Governors' duties include assisting in the furthering of the State Bar's mission, including the sharing of their legal expertise and skills for CLE programs presented by providers other than the State Bar. Governors should consider the impact on the State Bar prior to participating in CLE programs competing with State Bar CLE programs.

The revised policy was thereafter approved unanimously.

11. CONSIDER APPOINTMENTS TO NEVADA LAW FOUNDATION BOARD OF TRUSTEES

The Board engaged in a lengthy discussion regarding the purposes and operation of the Nevada Law Foundation.

Mr. Schlegelmilch declined a proffered appointment to the NLF Board of Trustees.

June 22, 2005

REVISED MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS

A motion to approve the slate of Trustees as presented in the letter from Suzan Baucum dated March 21, 2005, failed by a vote of 4-8 with Mr. Kamer abstaining.

A motion to appoint William S. Potter and Sheri Dee Forbes was withdrawn by the maker thereof.

Having been moved by Ms. Alf (who voted nay on the original motion), the Board voted to reconsider the original motion by a margin of 11-1. Upon reconsideration the motion was amended to charge the Executive Committee with meeting with officials of the NLF and investigate its operations and activities. As amended, the motion passed by a vote of 9-3, and the Board thereby appointed the following persons to the NLF Board of Trustees with terms expiring June 2007: Carolyn Myers, Robert Eglet, Curtis Coulter, and Clyde Billman (layperson).

12. CONSIDER ABA GOVERNANCE MATTERS

The Board unanimously endorsed the position of the National Caucus of State Bar Associations with respect to the proposed changes in the governance structure of the American Bar Association.

13. CONSIDER AMENDMENTS TO SCR 116 (BAR EXAMINATION AFTER DISBARMENT)

It was the consensus of the Board that it would support changes in SCR 116 to require a disbarred (or long-term suspended) member to re-take the Nevada bar examination prior to reinstatement to the active practice of law. Mr. Bare advised that this and other matters (e.g., the concept of permanent disbarment) were being studied and that he would report to the Board on such at a later date.

14. CONSIDER REVISION OF BYLAWS OF THE BOARD OF GOVERNORS

Executive Director Allen Kimbrough presented proposed changes to the Board's Bylaws to bring them in line with changes in the committee structure agreed upon during the October 2004 retreat. Section 5.1(a)(1) was restored to its original language, and the revised Bylaws were approved by a vote of 10-1.

15. RECONSIDER APPOINTMENTS TO FEE DISPUTE ARBITRATION COMMITTEE

The Board considered the report of the Executive Director and no motions were made.

16. REPORT OF CLIENTS' SECURITY FUND TASK FORCE

The Board unanimously approved the engagement of an actuary by the Task Force and authorized the

June 22, 2005

REVISED MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS

\$5,000 previously budgeted but not spent on the automation of the CSF to be used to pay same.

17. REPORT OF SENIOR MANAGEMENT ON STATE BAR FINANCIAL MATTERS

The Executive Director presented his written report on behalf of the senior management of the State Bar with its recommendations for future financial action.

Upon motion made and seconded, the Board **[discussed]** adopted a plan of action for the State Bar containing the following elements:

- Create a 5-year dues cycle beginning January 1, 2006 through December 31, 2010;
- Increase Active Member dues (over 5 years of practice) by \$100 to \$450/annually, and increase Active Member dues (less than 5 years of practice) by \$50 to \$250/annually;
- Increase *pro hac vice* fees under SCR 42 by \$150 to \$500;
- Increase **[contribution]** allocation to the Clients' Security Fund (CSF) to \$25 per Active Member (up from \$15) and transfer \$25 of each SCR 42 annual payment to the CSF;
- Maintain a reserve of 10% of each year's Operating Budget called the Operating Reserve Fund to be spent only upon the express consent of the Board of Governors;
- **[Assuming that the State Bar will have to replace the Las Vegas office building sometime in the 5-year cycle, c]** Create a Restricted Building Reserve Fund ("sinking fund") to accumulate funds for [such] the purpose of replacing or expanding State Bar facilities as may become necessary through growth;
- If a target date for new Las Vegas office space is determined, launch a capital campaign 18 to 24 months prior to raise funds to cover a portion of the costs of construction and furnishing;
- Create a Restricted Dues Reserve Fund containing all amounts in excess of operations not otherwise in a Restricted Fund (LRIS, Operating Reserve, Building Reserve) to be spent in the second half of the dues cycle; and
- Remove Law Related Education from the LRIS department in order to allow the LRIS Restricted Fund to continue.

Thereafter, the Board engaged in a lengthy debate regarding various aspects of this proposal. The motion

June 22, 2005

REVISED MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS

was approved by a vote of 8-5.

18. CONSIDER APPLICATION BY GROUP LEGAL SERVICES PROVIDER UNDER SCR 42.5

The application of CLC, Inc. to be a designated group legal services plan was approved, provided the applicant can satisfy the conditions outlined in page 2 of Bar Counsel's report to the Board.

19. REPORT OF BAR COUNSEL

Mr. Bare made an oral report to the Board in supplementation of his written report.

20. REPORT OF EXECUTIVE DIRECTOR

Mr. Kimbrough made an oral report to the Board and emphasized the need to make newcomers welcome to the Annual Meeting (per the surveys). He also expressed appreciation to the Board for its good work.

21. REPORT OF THE PRESIDENT

Ms. McCarthy expressed her thanks to the Board for its service and distributed gifts to each Board member. Mr. Schlegelmilch was presented with a plaque signifying his six years of service on the Board.

Ms. McCarthy requested that the Board provide funding for her attendance at meetings of the Jackrabbit Bar and the Western States Bar Conference, as she has obtained or is seeking leadership positions in both organizations. The Board unanimously granted Ms. McCarthy up to \$3,000 per year for three years for such expenses, although the Board did not preclude her asking for an additional stipend if necessary.

22. ELECTION OF OFFICERS

By acclamation, the following officers of the State Bar were elected for 2005-2006:

Rew R. Goodenow	President-Elect
Nancy L. Allf	Vice President
Allen W. Kimbrough	Secretary and Treasurer

23. REPORT OF THE PRESIDENT-ELECT

June 22, 2005

REVISED MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS

The Board unanimously approved the schedule of dates for the meetings of the Board of Governors in 2005-2006.

Mr. Consul discussed with the Board the new Task Forces he has appointed on (1) *Nevada Lawyer* magazine, and (2) annual meetings.

Mr. Consul advised the Board that he had declined a request by the Editor to appear on the cover of the next issue of *Nevada Lawyer*.

Mr. Consul expressed the appreciation of the Board to President McCarthy, and presented her with a gift on behalf of its members.

The meeting was adjourned at 12:57 p.m.

Respectfully submitted,

Ann Price McCarthy
President

Allen W. Kimbrough
Executive Director