

**December 6, 2002**

**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 by President Gloria J. Sturman on December 6, 2002, in the Board Room of the State Bar of Nevada in Las Vegas.

The following members were in attendance:

Gloria J. Sturman	...	President
N. Patrick Flanagan III	...	President-Elect
Ann Price McCarthy	...	Vice President
John H. Mowbray	...	Immediate Past President
Nancy L. Allf		
James W. Bradshaw		
Vincent A. Consul		
John A. Curtas		
Kathleen J. England		
Dara J. Goldsmith		
Rew R. Goodenow		
Bridget Robb Peck	...	by telephone
John P. Schlegelmilch	...	by telephone
Bill Turner		
Steve Wolfson		

STATE BAR STAFF:

Allen W. Kimbrough  
Rob Bare  
Marc Mersol  
Audrey Bath

GUESTS:

Hon. Deborah A. Agosti  
Suzan Baucum  
Jeremy Hilsabeck

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1. CALL TO ORDER AND INTRODUCTIONS

The meeting was called to order by the President at 9:05 a.m. Ms. Sturman gave an overview of the matters to be accomplished during the meeting.

2. APPROVAL OF MINUTES OF PRIOR MEETING OF BOARD OF GOVERNORS

The Minutes of the October 30, 2002 meeting of the Board of Governors were approved unanimously.

3. REPORT ON ACTIONS AND RECOMMENDATIONS OF OPERATIONS COMMITTEE

The Minutes of the November 20, 2002 meeting of the Operations Committee were reviewed and Ms. Sturman gave an oral report on the December 4 meeting of the Committee.

The appointments of fact finders for a local government-labor relations matter in Reno were ratified by the Board without dissent.

4. REPORT OF CONTROLLER

Marc Mersol, Controller, presented the financial condition of the State Bar as of November 30, 2002 and responded to questions. Mr. Mersol stated that it appeared that the State Bar would end 2002 with a favorable position of at least \$100,000.

Mr. Mersol also distributed financial information regarding the Client Security Fund and responded to questions regarding same. It was noted that the Client Security Fund Committee is exploring options for "leveling" out the amount available to pay claims from year to year.

The Board approved the transfer of \$442,818 of the LRIS fund balance to the Restricted Fund (to be used for operation of the LRIS or for certain public service projects).

5. CONSIDER 2003 OPERATING BUDGET

The Controller provided the Board with a PowerPoint presentation on the recent trends in the State Bar finances and the proposed 2003 Operating Budget.

Mr. Goodenow reported that the Budget Committee had reviewed the proposed 2003 Operating Budget with the Controller and the Executive Director and that the Committee recommended approval of the 2003 Budget as presented.

Prior to the vote, Mr. Goodenow offered a budget amendment increasing the amount budgeted for Law Related Education programs from \$15,000 to \$22,500, in part to permit adequate funding of the high school mock trial programs. It was explained by the Controller that the LRE programs would be funded through the Nevada Bar Foundation/Center for Law Related Education via grants from

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the State Bar to the Section 501(c)(3) entity.

Upon motion by Mr. Goodenow and seconded by Mr. Consul, the 2003 Operating Budget was approved as amended.

5. **APPEARANCE BY CHIEF JUSTICE ELECT DEBORAH A. AGOSTI**

The President welcomed Chief Justice-Elect Deborah Agosti, who reported to the Board regarding her vision for the Supreme Court and the Nevada court system in general, which she intends to study through various commissions. She stated her appreciation for the spirit of cooperation and partnership offered to the Court by the State Bar and welcomed additional participation in the future. She noted that she would be giving her State of the Judiciary Address to the Legislature on February 25 (which will be published subsequently in *Nevada Lawyer*).

6. **REPORT OF MEMBER BENEFITS COMMITTEE**

Ms. Peck, as Chair of the Member Benefits Committee, reported on the Committee's recommendations for Board action. In particular, she presented the Co-Branded Web Page agreement offered by Lexis-Nexis, which provides certain royalties to the State Bar for placement of a link on our website. Subject to the Executive Director clarifying certain provisions, the proposal was approved unanimously.

The Board further discussed other member benefits, including the health insurance plan offered by Anthem Blue Cross. Ms. Peck asked that the Board members provide her with suggestions for other matters that would be desirable member benefits.

7. **CONSIDER MATTERS RELATED TO MIDYEAR MEETING OF THE STATE BAR**

It was announced that the Midyear Meeting of the State Bar and second annual Bar Leadership Forum would be held on Saturday, February 22, at the National Judicial College in Reno from 10:00 a.m. to 3:00 p.m. Ms. Sturman stated that the Midyear Meeting Committee would work on the agenda for the meeting and forum, but that topics to be discussed would include communication, long range planning, continuing legal education programs, and publications.

8. **CONSIDER MATTERS RELATED TO ELECTION OF BOARD OF GOVERNORS**

The Executive Director discussed with the Board his written report regarding the current Supreme Court Rules governing the election of members of the Board of Governors. Mr. Kimbrough recommended certain changes in both the Rules governing the election and the internal procedures to govern the election.

The Board (by unanimous vote) directed Bar Counsel to prepare an ADKT petition that would (1) remove the odd and even years provisions regarding the election of members of the Board, (2) alter the timetable for the election per the recommendation of the Executive Director, and (3) make other technical corrections in the wording of the Rules.

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The Board further considered the proposed Internal Procedures for the election of members of the Board. On a divided vote, the Board approved the adoption of the guidelines as proposed, with the exceptions that (1) labels may be purchased by candidates at cost and (2) that the ballots would more clearly indicate that the member may vote for "up to" the maximum number of candidates in each district.

9. **REPORT OF YOUNG LAWYERS SECTION**

Jeremy Hilsabeck, Secretary of the Young Lawyers Section, gave an oral report on the activities of the Section and discussed the proposed 2003 YLS Budget with the Board. Consideration of the Budget was deferred to the January meeting of the Board.

10. **REPORT ON 75<sup>TH</sup> ANNIVERSARY CELEBRATION (STATE BAR DIAMOND JUBILEE)**

President Sturman reported on the recent activities of the Diamond Jubilee Committee, including plans for the use of *Nevada Lawyer* throughout 2003 and the need for articles, the gala dinners in May, and fundraising issues.

11. **RECONSIDER ISSUES RELATED TO 2003 SESSION OF NEVADA LEGISLATURE**

The Board tabled consideration of these issues to a subsequent meeting.

12. **CONSIDER APPOINTMENTS TO STANDING COMMITTEE ON JUDICIAL ETHICS AND ELECTION PRACTICES**

The Board considered the request of the Standing Committee on Judicial Ethics and Election Practices for the reappointment of six of its members. Upon motion made and seconded, the Board voted to reappoint the following persons: Sallie B. Armstrong, Phillip W. Bartlett, Gordon H. DePaoli, George W. Foley, Jr., Gregory J. Kamer, and Bruce I. Shapiro.

13. **CONSIDER APPOINTMENTS TO JUDICIAL DISCIPLINE COMMISSION**

The Board appointed Karl W. Armstrong to the Nevada Judicial Discipline Commission.

14. **CONSIDER APPOINTMENTS OF DISTRICT REPRESENTATIVES TO NINTH CIRCUIT**

At the request of the judges of the United States District Court for the District of Nevada, the Board appointed the following persons to be Ninth Circuit Lawyer Representatives: Stan Hunterton, Richard Holley, Matthew Addison, Thomas Susich, and Cecilia Rosenauer.

15. **CONSIDER MATTERS RELATED TO NEVADA LAW FOUNDATION**

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Suzan Baucum, Executive Director of the Nevada Law Foundation, appeared before the Board to discuss the history of the Foundation (Nevada's IOLTA instrument), its current funding problems, and concerns over pending court challenges to the existence of all IOLTA programs. She advised the Board that the State Bar's law related education programs would be receiving some funding in 2003 from the Foundation, albeit at a level less than 2002.

16. **CONSIDER MATTERS RELATED TO FEE DISPUTE ARBITRATION COMMITTEE**

The Board appointed William Brad Bennett to Las Vegas Panel C of the Fee Dispute Arbitration Committee.

17. **REPORT ON LAW RELATED EDUCATION ACTIVITIES OF THE STATE BAR**

The Board accepted the written report of Marcia Stribling, Law Related Education Coordinator, and commended the rural focus of the State Bar's expanded LRE efforts.

18. **CONSIDER REVISED BYLAWS OF THE BOARD OF GOVERNORS**

The Board ratified the revised Bylaws of the Board of Governors, having added the phrase "and bar counsel and establish their compensation" to the end of Section 3.7(d) thereof.

19. **REPORT ON DUTIES AND RESPONSIBILITIES OF BAR COUNSEL/GENERAL COUNSEL TO BOARD OF GOVERNORS (EXECUTIVE SESSION)**

In Executive Session, the Board met with Bar Counsel Rob Bare to discuss his various duties and responsibilities. The Board clarified its position that for administrative and budgetary matters, Bar Counsel would report to the Executive Director and that for legal issues, Bar Counsel would report to the Board of Governors. The Operations Committee and the Executive Director were directed to conduct a joint annual review of Bar Counsel and to determine his compensation.

20. **REPORT OF BAR COUNSEL**

Mr. Bare reported to the Board regarding various matters being addressed by his department, and in Executive Session, advised the Board as to pending litigation against Bar Counsel and/or the State Bar.

21. **REPORT OF EXECUTIVE DIRECTOR**

In supplementation of his written report, Executive Director Allen Kimbrough reported to the Board on various matters of interest. Mr. Kimbrough expressed his appreciation to the staff of the State Bar for their excellent work in 2002.

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22. **REPORT OF PRESIDENT-ELECT**

President Elect Flanagan advised the Board that the 2004 Annual Meeting of the State Bar would be held at the Loew's Coronado Bay Resort in San Diego. He also discussed the legal and cultural exchange trip being planned to Ireland in October 2003.

23. **REPORT OF PRESIDENT**

Ms. Sturman made additional comments regarding the 75<sup>th</sup> Anniversary Celebration of the State Bar and the Midyear Meeting.

24. **ANNUAL REVIEW OF EXECUTIVE DIRECTOR (EXECUTIVE SESSION)**

In Executive Session, the Executive Director responded to questions in supplementation of his written self-evaluation. Mr. Kimbrough then left the room and the Board discussed his performance and compensation, and Ms. Sturman was directed to communicate the Board's decisions and suggested goals for 2003 to Mr. Kimbrough following the meeting.

There being no further business, the meeting was adjourned at 4:00 p.m.

Respectfully submitted,

Gloria J. Sturman  
President

Allen W. Kimbrough  
Executive Director