MEETING OF THE
BOARD OF GOVERNORS
OF THE
STATE BAR OF ARIZONA
September 30, 2016
Phoenix, AZ

BOARD MEMBERS PRESENT: Lisa Loo, President, Phoenix; Alex B. Vakula, President-Elect, Prescott; Jeffrey Willis, First Vice President, Tucson; Steven A. Hirsch, Second Vice President, Phoenix; Brian Y. Furuya, Secretary-Treasurer, Flagstaff; Alexia J. Peterson, YLD President, Phoenix; Richard D. Coffinger, Glendale; Hon. David G. Derickson, Phoenix; Diane L. Drain, Phoenix; Hector M. Figueroa, Payson; Denis M. Fitzgibbons, Casa Grande; Patrick Greene, Tombstone; Kenney F. Hegland, Tucson; Melissa S. Ho, Phoenix; Jennifer R. Rebholz, Phoenix; Samuel Saks, Phoenix; Jimmie Dee Smith, Yuma; Geoffrey M. Trachtenberg, Immediate Past President, Phoenix; Public Members: Tony Finley, Tucson; John W. Gordon, Prescott; Audrey R. Jennings, Scottsdale; Anna C. Thomasson, Phoenix; and At-Large Members: David K. Byers, Phoenix; Lori Higuera, Phoenix; and Paul Senseman, Phoenix; Ex-Officio Members: Dean Shirley Mays, Phoenix; Dean Marc L. Miller, Tucson; Gary Stuart for Dean Douglas J. Sylvester, Tempe; and Court Liaison Hon. Clint Bolick, Phoenix.

EXCUSED ABSENCES: Dee-Dee Samet, Tucson and Ex-Officio Member: Dean Shirley Mays, Phoenix;

OTHERS PRESENT: Nina Benham, Board Services Specialist; Matt Campbell, Help Desk Technician; Lisa Deane, Chief Member Services Officer; Rick DeBruhl, Chief Communications Officer; John Furlong, General Counsel/Deputy Director; Martin Gaxiola, Accounting Manager; Gayle V. Jackson, Human Resources Director; Ann Leslie, Executive Assistant; Lisa Panahi, Sr. Ethics Counsel; John Phelps, CEO/Executive Director; Patricia Seguin, Legal Services Manager; George Schader, Information Technology Manager; Carrie Sherman, Director of Board Operations; and Maret Vessella, Chief Bar Counsel.

GUESTS: Judy Davila, ABA Delegate; Jack Levine; Kevin Ruegg, CEO, AzFLS&E; Tyler J. Carrell, YLD Past President and David James Keys-Nunes; Karen Oschmann, Client Protection Fund Administrator and Communications Team: Tim Eigo, Editor Arizona Attorney; Karen Holub, Art Manager, Arizona Attorney; Michael Peel, Production Manager, Arizona Attorney; Lisa Bormaster Fontes, Advertising Sales Manager; Mikyeila Cordero, Advertising Coordinator; Jillian Kinsala, Sales/Communications Assistant; Alberto Rodriguez, Public Information and Community Outreach Specialist; Pat Giallanza, Communications Project Manager; and Leah Won for Dean Miller

PRESIDENT'S REPORT – Lisa Loo

➤ Ms. Loo asked the Board members for assistance to look for opportunities for her to visit their local bar associations.
➤ Attended the Annual Meeting of the National Conference of Bar Presidents in San Francisco along with President-Elect Alex Vakula and CEO John Phelps; served on a panel regarding challenges facing integrated bars.
➤ Participated in the retreat of the 10th class of the Bar Leadership Institute (BLI) held in Tubac.
Tying up loose ends with committee appointments. The goal is to balance experience with opportunities for new attorneys to engage with the Bar.

Met with the Executive Council of the new Religious Liberty Law Section to talk about Section guidelines and procedures.

Opened the Annual Section Leadership Summit and held a Q & A session.

2017 Convention Committee is up and running; Co-Chairs Justice John Pelander and May Lu (Tiffany & Bosco). Theme: “Our Bar: Serving and Protecting the Public” comes from the Supreme Court’s recent change to Rule 32 which defines the State Bar’s mission.

CEO/ED REPORT – John Phelps

Employee of the Month – the Board recognized Karen Oschmann, Client Protection Fund Administrator, who was selected by her peers.

2017 budget preparation is in full swing. Each department builds their budget from the ground up and then meets with management to justify their expenses.

Thanks to the extra efforts by staff closed out the MCLE year with significantly fewer late filings.

Just completed facilitating the annual mandatory staff ethics training.

Kicked off the 3rd Annual internal Leadership Development Program.

The Bar has again received an award from the Arizona Wellness Council for its internal wellness program.

The staff’s most recent community service project was successful in collecting supplies for the homeless.

STRATEGIC AGENDA – Lisa Loo/John Phelps

President Loo thanked the Board for honoring the spirit of the request to access their electronic devices during the meeting only to access the meeting materials.

As agreed at the Board’s July Retreat, strategic issues have been placed at the top of the meeting agenda.

The Board revisited the goals and objectives in the Bar’s 2015-2019 Vision – Service Through Law.

Four areas were considered:
- Whether to refresh the current five year plan approved by the Board.
- The intersection between those goals and similar goals contained in the YLD’s Strategic Plan were highlighted. This is the first time the YLD has developed a strategic plan.
- Reviewed the areas raised at the Retreat; to what extent does the Board want to focus on any of these this year?
- Add new areas for consideration that have come up since the July Retreat, for example:
  - Public Service Center
  - Court’s amended Rule 32 and Rule 44
  - Justice for All Report – Court published since the last meeting

Board’s Strategic Planning Committee will meet on October 7 and will incorporate the Board’s discussions today into their work for this year.

YLD President Alexia Peterson will present on the challenges for young lawyers in October.

New Mission stemming from the Court’s Rule Change: State Bar of Arizona exists to serve and protect the public with respect to the provision of legal services and access to justice.

Possibility that 30-50% will exit the profession in the next 10 years (aging out).

Lower law school attendance and lower scores on the Bar Exam.
Hazelden-Betty Ford Foundation study revealed that a larger number of attorneys than previously believed, especially young lawyers, are struggling with substance abuse.

Rule 32 and Rule 44 changes: staff are reviewing and will recommend proposed amendments to the Bar’s Bylaws, policies, procedures, guidelines, etc., as is necessary. Justice Clint Bolick urged the Board to communicate the Bar’s new mission to the members and perhaps produce a roadshow to educate the public on the roles of the Court and the Bar.

In order to put greater emphasis on “serving the public” it would be important to provide better tools and a safe harbor for lawyers and the public to connect.

A suggestion was made to more directly connect the Strategic Plan to “serving the public”.

Secretary/Treasurer Brian Furuya stated that distance, remoteness and lack of resources are problems for rural attorneys. The district he represents comprises roughly one-fourth of all the land in the state. Many inhabitants living within Arizona’s Indian reservations don’t have running water or electricity and are at poverty level. There is no lawyer referral service available to these citizens at present.

Availability for many CLE’s is prohibitive for many rural attorneys, who would have to drive long distances to attend in Phoenix or Tucson; costs of CLE are often increased due to remoteness.

Many rural attorneys are government attorneys.

**PRESENTATIONS** – Lisa Loo

- David James Keys-Nunes received the high score on the February Bar Exam 2016 and is a graduate of Arizona Summit Law School. The Board presented him with a gift in recognition of his accomplishment.
- Tyler Carrell, past president of the Young Lawyers Division, was recognized for his contributions and service on the Board during his term as 2015-2016 YLD President.

Break 10:12-10:22 a.m.

**PROGRAM REVIEW COMMITTEE STATUS REPORT** – Geoffrey Trachtenberg

- Public Service Center is in its formative stages of review.
- Chicago representatives will demo the software at the October 21 meeting. Budgetary numbers will also be provided at that time.
- Lawyers can post their profiles and clients can post their legal needs.
- An attorney interested in representing the client pro-bono or at a reduced fee can send an application to the client who can accept or reject the application.
- This online tool is being used in Chicago; a veteran’s group is on board but any non-profit, organization or individual can benefit from it.
- An ethical opinion will be provided but the client is soliciting, not the attorney, so any concerns should be eliminated.

**ABA HOUSE OF DELEGATES REPORT** – Judy Davila

- Thanked the Board for appointing her to the ABA House of Delegates and the opportunity to attend the ABA Annual Meeting and represent the Bar. Ms. Davila is also a member of the current Bar Leadership Institute Class.
- Summarized a few of the Resolutions that passed:
- Resolution 109 – Myles V. Lynk of Arizona moved the revised Resolution 109, amending Rule 8.4 of the ABA Model Rules of Professional Conduct, to add an anti-discrimination and anti-harassment provision. The resolution was adopted as revised.
- Resolution 110 – Urges federal, state, local and territorial law-enforcement authorities to provide a culturally, substantively and accurate translation of the Miranda warning in Spanish. Resolution adopted.

COMMUNICATIONS/GOVERNMENT RELATIONS DIVISION – CCO Rick DeBruhl

- Mr. DeBruhl introduced the new Strategic Communications Plan which is more refined than the original 2010 plan but continues to further the Bar’s mission.
- The Communications Team was introduced: Arizona Attorney Magazine staff members Tim Eigo, Editor; Karen Holub, Art Director; Michael Peel, Production Manager; other members of the Team: Lisa Bormaster, Advertising Sales Manager; Mikyeila Cordero, Advertising Coordinator; Jillian Kinsala, Sales/Communications Assistant; Patricia Giallanza, Communications Project Manager; and Alberto Rodriquez, Public Information and Community Outreach Specialist.

Communications Principals
- Integrity – Communicate the truth. Always act professionally.
- Transparency – The Bar’s processes and policies are open to members and the public.
- Accountability – Accept responsibility for the organization’s conduct and obligations.

Strategic Goals
- Break Through the Clutter
- Influence the Influencers
- Use Adaptive Technology
- Help Attorneys Understand the Changing Profession
- Reach Legal Consumers
- Understanding Our Members
- Managing Open Records

CONSENT AGENDA – President Lisa Loo

a) Approval of July 22, 2016 Board Meeting Minutes
b) Resignations
   1. Approval of Resignations in Good Standing
   2. Approval of Resignation in Lieu of Reinstatement
c) Reinstatements
   1. Approval of Reinstatements of Members Suspended for Non-Compliance with MCLE Requirements, Rule 45, Ariz. R. Sup. Ct.
   2. Approval of Reinstatement of Member(s) Suspended for Non-Compliance with Annual Membership Dues and/or Trust Account Compliance. Rule 32(c)(10) and/or Rule 43, Ariz. R. Sup. Ct.
d) Animal Law Section’s Bylaws - Proposed Amendments
e) Proposed Comment to R-16-0035, Petition to Amend Rule 15.1(j), Ariz. R. Crim. P.
f) AMS Contract Termination
g) Fee Arbitration Committee Mission Statement Change
h) Dues Waiver – Late Filing Fee Waiver Scope August Meeting

- MOTION: Alex Vakula moved, Jeff Willis seconded, and the motion carried unanimously to approve the Consent Agenda as presented above.
**APPOINTMENTS COMMITTEE** – Chair Steve Hirsch

**Arizona Supreme Court Committee on Character and Fitness** (three lawyer openings)

- The Appointments Committee recommended the following slate of qualified candidates, in ranked order, for the Board's submission to the Arizona Supreme Court for its consideration and ultimate selection of three lawyers to serve on its Character and Fitness Committee. The Court requests three nominations per opening.
  - Ms. Frankie Y. Jones, Maricopa County Attorney’s Office, Phoenix
  - Ms. Chiko F. Oyolu (Swiney), Copperpoint Mutual Insurance, Phoenix
  - Mr. Edward Maldonado, Law Office of Edward Maldonado, Phoenix
  - Ms. Kristen J. Brook, United States Attorney’s Office, Phoenix
  - Ms. Anna H. Finn, Mitchell Stein Carey PC, Phoenix
  - Mr. Michael G. Galloway, Ryan Rapp & Underwood PLC, Phoenix
  - Ms. Jennifer S. Rock, Maricopa County Public Defender's Office, Phoenix
  - Ms. Maricela E. Meza, Karp & Weiss PC, Tucson
  - Ms. Angela Kebric Paton, Arizona Corporation Commission, Phoenix
  - Ms. Carrie L. Thompson Jones, Quintairos Prieto Wood & Boyer PA, Phoenix
  - Mr. Andrew James Becke, Murphy Schmitt Hathaway & Wilson PLLC, Prescott

- **VOTE:** Coming from the Appointments Committee as a motion, requiring no second, the Board voted unanimously to send the slate to the Arizona Supreme Court.

**Arizona Supreme Court Committee on Examinations**

- The Appointments Committee recommended the following slate of qualified candidates, in ranked order, for the Board's submission to the Arizona Supreme Court for its consideration and ultimate selection of one lawyer to serve on its Examinations Committee.
  - Ms. Frankie Y. Jones, Maricopa County Attorney’s Office, Phoenix
  - Mr. Gregg Clarke Gibbons, Gregg Clarke Gibbons PC, Scottsdale

- **VOTE:** Coming from the Appointments Committee as a motion, requiring no second, the Board voted unanimously to send the slate to the Arizona Supreme Court.

**FINANCE AND AUDIT COMMITTEE** – Chair Jeff Willis

- Lisa Deane, Chief Member Services Officer, provided a financial summary of the Annual Convention.
- Mr. Willis reviewed the two topics that required a vote:
  1) 2017 Budget Guidelines Memorandum with Recommendations which guides the budgeting process. **MOTION:** Coming from the Finance & Audit and Human Resources Committees, requiring no second, Guidelines unanimously passed.
  2) 2016 Financial Audit – Auditor Selection requires a vote.

- Eide Bailly has been the auditor for the last three years. Best practices are to change every 5-7 years. For one time only this year, recommend Eide Bailly continue for a fourth year allowing staff and the Finance and Audit Committee time to handle RFP process and come back with a proposal for auditor selection. **MOTION:** Coming from the Finance and Audit Committee as an exception to the policy, requiring no second, the Board unanimously approved Eide Bailly being retained for auditing services for an additional year.

**RULES COMMITTEE** – Steve Hirsch

- Immediate Past Chair Steve Hirsch provided a brief summary of the 2015 Rules Cycle Snapshot Report. Dave Byers reported that many of the Rules Petitions have rolled over to the Court's December administrative agenda, some due to related legislation that passed during the session.
**LEGISLATURE UPDATE** – CCO Rick DeBruhl on behalf of Lobbyist Janna Day

- Gave an overview of the political landscape since the Primary Election.
- Reported that he and CEO Phelps met with J.D. Mesnard, likely the next Speaker of the House, and gave him a tour of the Bar’s offices. Also reported that Steve Yarbrough is expected to be the next Senate president.
- To date none of the Bar’s Sections anticipate submitting any affirmative bills for the Board’s endorsement. It is however expected that another round of bills designed to eliminate the integrated bar will be introduced in the upcoming legislative session.

**INFORMATIONAL** – Lisa Loo

a) Steve Hirsch is being honored by the William E. Morris Institute for Justice on October 30th, 5:30 p.m. at the University Club.

b) Report and Recommendations from the Task Force on Justice for All (includes Court ordered fines, penalties, fees and pre-trial release policies)
   - Dave Byers commented:
     1) Contains significant changes to the criminal justice system; shift to risk-based system
     2) Requires changes to Court Rules and Legislation (and Arizona’s Constitution?)
     3) The report is available online and can be downloaded
     4) A more robust report will be presented at the December Board meeting

c) Rocky Mountain Mineral Laws Foundation Report

d) ABA Board of Governors’ August Annual Meeting – Summary Report of Action

e) Maricopa County Bar Association (MCBA) Periodic Report
   - Kyle Hirsch is the current president and Allister Adel is the new executive director.
   - MCBA Hall of Fame – Three members of Los Abogados inducted as well as Steve Hirsch

**HANDOUTS**

- 2016 Economics of Law Practice Survey Results
- Justice For All Report

**ADJOURN**

There being no further business to come before the Board of Governors, the meeting adjourned at 11:45 a.m.

Respectfully submitted,

Brian Y. Furuya
Secretary-Treasurer