Client Protection Fund Board of Trustees
State Bar of Arizona
4201 N. 24th Street, Suite 100
Phoenix, Arizona 85016

May 7, 2018
10:00 am
Cholla Room

Meeting Minutes
(Approved August 27, 2018)

MEMBER ATTENDANCE:
P = present in person; T = present telephonically; A = absent.

☒ Charles W. Wirken (P)
☒ James B. Penny (P)
☒ Robert E. Schmitt (P)
☒ Matthew A. Gerst (P)
☒ Rosemary H. Rosales (A)

OTHER ATTENDEES:

Guests: None
State Bar Staff: Karen Oschmann, CPF Administrator
Linda Shirey, Administrative Assistant
Martin Gaxiola, Accounting Manager
Lisa Panahi, General Counsel
Patricia Seguin, Legal Services Manager

Minutes taken by: Karen Oschmann, CPF Administrator

PUBLIC SESSION

I. CALL TO ORDER
Called to Order by: Charles Wirken
Time: 10:08 a.m.

II. REVIEW AND APPROVAL OF MEETING MINUTES

Individuals addressing the Board of Trustees: None
Discussion: The February 13, 2018 CPF meeting minutes were reviewed by the Trustees.

Motion: To approve the February 13, 2018 CPF meeting minutes
Made by: James Penny
Seconded by: Matthew Gerst
Motion: Passed – unanimous

II. FINANCIAL UPDATE

Individuals addressing the Board of Trustees: Martin Gaxiola, James Penny

Discussion: The Fund's total assets are currently approximately $2.6 million. Jim also reported that the Fund paid approximately $134,000 in claims in the first quarter of 2018. There were no other outstanding issues regarding the financial report.

Motion: N/A
Made by: N/A
Seconded by: N/A
Motion: N/A

III. APPROVAL OF REVISED FOURTH QUARTER 2017 STATE BAR INVOICE

Individuals addressing the Board of Trustees: Martin Gaxiola

Discussion: The revised SBA invoice for the fourth quarter 2017 was presented for payment approval.

Motion: To approve payment of the revised fourth quarter 2017 SBA invoice.
Made by: Rosemary Rosales
Seconded by: Matthew Gerst
Motion: Passed – unanimous

IV. APPROVAL OF FIRST QUARTER 2018 STATE BAR INVOICE

Individuals addressing the Board of Trustees: Martin Gaxiola

Discussion: The SBA invoice for the first quarter 2018 was presented for payment approval.

Motion: To approve payment of the first quarter 2018 SBA invoice.
Made by: Matthew Gerst
Seconded by: Robert Schmitt
Motion: Passed – unanimous
V. 2017 STATE BAR/CLIENT PROTECTION FUND AUDIT REPORT

Individuals addressing the Board of Trustees: Martin Gaxiola

Discussion: Martin Gaxiola presented the 2017 SBA/CPF Audit Report. The auditors found no concerns regarding the Fund.

Motion: N/A
Made by: N/A
Seconded by: N/A

VI. “POSITIVE PAY” BANKING FEATURE

Individuals addressing the Board of Trustees: Martin Gaxiola

Discussion: Martin Gaxiola presented information regarding Positive Pay, a bank-provided security feature for checking accounts that helps prevent fraud and misappropriation. When a check is presented to the bank for payment, the bank will send a validation file to the client for confirmation before paying. The Trustees discussed instituting Positive Pay on the Fund's checking account.

Motion: To institute the Positive Pay feature on the Fund's checking account.
Made by: Robert Schmitt
Seconded by: Matthew Gerst
Motion: Passed – unanimous

EXECUTIVE SESSION

VII. CLAIMS CONSIDERATION

Discussion: The Trustees considered and decided on the following claims:

<table>
<thead>
<tr>
<th>Claim No.</th>
<th>Lawyer</th>
<th>Action Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPF-17-0061</td>
<td>Jose Antonio Colón</td>
<td>Reconsideration Denied – No new information</td>
</tr>
<tr>
<td>CPF-17-0039</td>
<td>Jose Antonio Colón</td>
<td>Approved $3,400</td>
</tr>
<tr>
<td>CPF-17-0055</td>
<td>Richard A. Drake</td>
<td>Approved $2,415</td>
</tr>
<tr>
<td>CPF-17-0046</td>
<td>Richard A. Drake</td>
<td>Denied – Fee Dispute</td>
</tr>
<tr>
<td>CPF-17-0023</td>
<td>Fernando X. Gaxiola</td>
<td>Denied – Fee Dispute</td>
</tr>
<tr>
<td>CPF-17-0069</td>
<td>T. Anthony Guajardo</td>
<td>Approved $460</td>
</tr>
<tr>
<td>CPF-17-0053</td>
<td>Kristi Michelle Morley</td>
<td>Approved $4,700</td>
</tr>
<tr>
<td>CPF-17-0060</td>
<td>Kristi Michelle Morley</td>
<td>Approved $5,000</td>
</tr>
<tr>
<td>CPF-17-0029</td>
<td>Shawn E. Nelson</td>
<td>Denied – Fee Dispute</td>
</tr>
<tr>
<td>CPF-17-0075</td>
<td>Shawn E. Nelson</td>
<td>Approved $4,000</td>
</tr>
<tr>
<td>CPF-17-0072</td>
<td>Shawn E. Nelson</td>
<td>Approved $3,150</td>
</tr>
</tbody>
</table>
CPF-17-0073  Judd S. Nemiro  Denied – Fee Dispute
CPF-17-0065  Judd S. Nemiro  Denied – Fee Dispute
CPF-17-0070  Judd S. Nemiro  Denied – Fee Dispute
CPF-17-0066  Judd S. Nemiro  Denied – Fee Dispute
CPF-17-0056  William Tattnall Rush  Approved $500
CPF-17-0031  Timothy Steadman  Denied – Fee Dispute / Malpractice
CPF-17-0036  Timothy Steadman  Denied – Fee Dispute
CPF-17-0050  Lyndon B. Steimel  Approved $4,365
CPF-17-0074  Lyndon B. Steimel  Denied – Fee Dispute
CPF-17-0037  Lyndon B. Steimel  Denied – Fee Dispute
CPF-17-0043  Lyndon B. Steimel  Approved $9,000
CPF-17-0054  Kissandra L. Tysman  Approved $2,055
CPF-17-0030  James Roger Wood  Reconsideration Denied – No new information
CPF-17-0032  James Roger Wood  Reconsideration Denied – No new information
CPF-17-0057  James Roger Wood  Approved $2,900
CPF-17-0071  James Roger Wood  Denied – Fee Dispute
CPF-17-0063  James Roger Wood  Approved $7,500
CPF-17-0062  James Roger Wood  Approved $5,650
CPF-17-0022  David R. Wroblewski  Approved $2,135

The Trustees approved a total of $57,230. All approved claims were eligible for payment as of the date of this meeting.

PUBLIC SESSION

VIII. READING OF CLAIM DECISIONS

Individuals addressing the Board of Trustees: Charles Wirken

IX. CALL TO THE PUBLIC Individuals addressing the Board: None

X. ADJOURN

Motion: To adjourn the meeting.
Made by: Robert Schmitt
Seconded by: Charles Wirken
Motion: Passed - unanimous

Meeting adjourned by: Charles Wirken
Time: 11:55 a.m.