

**MEETING OF THE  
BOARD OF GOVERNORS  
OF THE  
STATE BAR OF ARIZONA**

**February 21, 2025**

BOARD MEMBERS PRESENT: Ted Schmidt, President, Tucson; Samuel J. Saks, President-Elect, Tempe; Doreen N. McPaul, Vice-President, Gilbert; Cristina Poletti, YLD President, Scottsdale; David J. Johns, Flagstaff; Preston L. Pollock, Globe; D. Christopher Russell, Sierra Vista; Amy P. Hernandez, Tucson; Jena Decker-Xu, Phoenix; Robert J. McWhirter, Phoenix; Robyn M. Austin, Public Member, Tucson; Cedric Dave, Public Member, Chandler; Cortez W. Smith, Public Member, Casa Grande; Mike Baumstark, At-Large Member, Scottsdale; Heather Baker-Muschkatel, Sun City; David K. Byers, At-Large Member, Scottsdale; Louis S. Fidel, Tucson; Denis M. Fitzgibbons, Casa Grande; Kelsi Lane, Secretary-Treasurer, Tempe; Justice Kathryn King, Supreme Court Liaison, Phoenix; David B. Rosenbaum, Phoenix; Jimmie Dee Smith, Yuma; Benjamin Taylor, Ex-Officio Member, Phoenix; and Chloé Woods, Phoenix.

BOARD MEMBERS WITH EXCUSED ABSENCES: Diandra Day Benally, Fountain Hills; Mignonne Hollis, Public Member, Sierra Vista; Interim Dean Jason Kreag, Ex-Officio Member, UofA; Dean Stacy Leeds, Ex-Officio Member, ASU; and John W. Moody, Phoenix.

STAFF: Joel England, CEO/Executive Director; Jessica Iennarella, Chief Financial Officer; Joe Hengemuehler, Chief Communications Officer; Lori Maxwell, Chief Information Officer; Trish McCarty, HR Director; Karen Oschmann, Client Protection Fund Administrator; Lisa Panahi, Chief Legal and Compliance Officer; Fabiola Perez, Public Service Center Manager; Roberta Tepper, Chief Member Services Officer; Maret Vessella, Chief Bar Counsel; Genna Barela, Manager of Board Operations; Deanna Commack, Executive Assistant; Chris Wyatt, IT Lead; and Patricia Seguin, Legal Services Manager.

GUESTS: Ernie Calderon, Jennifer Rebholz, Gregg Woodnick and Eric Knott.

**1. Call to Order** – Ted Schmidt

President Schmidt called the meeting to order at 8:30 a.m.

**2. Call to the Public** – Ted Schmidt

President Schmidt made a Call to the Public and hearing nothing, moved on to the next item on the agenda.

**3. President's Report** – Ted Schmidt

- President Schmidt turned the floor over to Heather Baker-Muschkatel who provided a recap of the ASU/ABA Rule of Law CLE.
- Joe Kanefield will chair the new Rule of Law working group.
- The University of Arizona James E. Rogers College of Law recently recognized Tim Eigo, Editor of our Arizona Attorney Magazine, as the 2025 recipient of the Law College Association (LCA) Award for his exceptional commitment and service to the Arizona legal community. Tim was honored during this year's Richard Grand Legal Writing Competition Awards Ceremony and Reception, where student finalists received recognition for their outstanding work. Tim also served as a judge for this year's competition.

- President Schmidt recently coached and judged a mock trial at the University of Arizona’s new courtroom.
- In April of 2025, the Arizona Supreme Court will have their annual retreat – President Schmidt, President-Elect Samuel Saks, and Joel England have been invited to attend.
- President Schmidt and Joel England recently met with the Arizona Supreme Court to discuss recent DEI Executive Orders that might impact the State Bar.

The following agenda items were taken out of order.

**5. CEO’s Report** – Joel England

- CEO England announced the Employee of the Quarter – Taylor Tasler. Taylor is no longer with the State Bar as she recently accepted a position as Senator Ruben Gallego’s Arizona Press Secretary.
- CEO England presented the 2024 Employee of the Year, Bar Counsel Kelly Goldstein. Kelly has engaged in various hearings and trials despite being “new” to the discipline area of practice. Her performance as trial counsel has been outstanding and has demonstrated exceptional skill in motion practice.
- CEO England informed the Board that changes to the annual review process that were implemented in January of 2025 were successful. The new process was more efficient, annual evaluations were completed in a timelier manner and merit increases will be awarded sooner this year.
- CEO England reminded the Board that there are tickets available for the 7<sup>th</sup> Annual One Injustice Gala 2025; requests for tickets should be sent to Genna, Manager of Board Operations.

**6. Midyear House of Delegates Meeting** – Ernest Calderon, the State Bar’s delegate for the ABA’s House of Delegates presented. Mr. Calderon reported on the ABA’s 2025 Midyear Meeting, which was held on February 3, 2025, in Phoenix. Mr. Calderon thanked Lisa Panahi, Chief Legal and Compliance Officer, for carefully preparing the State Bar delegates on how to appropriately vote on each resolution. Mr. Calderon gave a brief presentation on a portion of the resolutions.

The following agenda item was taken out of order.

**4. Maricopa County StandDown** – Fabiola Perez, Public Service Center Manager, gave a brief presentation to the Board regarding the recent efforts of the Public Service Center (PSC). The PSC is the public-serving hub of the State Bar. Its goal is to connect the public with free legal resources by means of volunteer professionals – this includes free consultation legal clinics, phone banks with ABC15 and KGUN, Wills for Heroes and the Modest Means Project. StandDown is an annual event that unites different service providers with the focus on assisting veterans.

The following agenda items are in order.

**7. Consent Agenda** – Ted Schmidt

President Schmidt asked if there were any matters that needed to be removed from the Consent Agenda and hearing nothing.

**MOTION** to approve the Consent Agenda: Samuel Saks  
 Seconded by: Robert McWhirter

Unanimous.

Approval of Resignations in Good Standing

Approval of Reinstatement of Member(s) suspended for Non-Compliance with Annual Membership Fees and/or Trust Account Compliance (Rule 32(c)(10) and/or Rule 43, Ariz. R. Sup. Ct.)

Approval of Convention Silent Auction Grantee

**8. Finance and Audit Committee** – Jessica Jennarella, Chris Russell

Jessica and Chris presented on the 2024 annual cash surplus reserve allocation. The Board discussed.

**MOTION** to recommend funding the reserves as recommended by the Finance & Audit Committee. Capital reserve to be funded as the net between depreciation expense and actual capital funding, with the remaining 2024 operating surplus split 50% to the opportunity reserve and 50% to the annual fees reserve by: Robert J. McWhirter

Seconded by: Samuel Saks

Unanimous.

Status/informational report was provided on the following: State Bar of Arizona Q4 Client Protection Fund 2024 Financial Statements.

**9. Client Protection Fund Board of Trustees** – Karen Oschmann, Gregg Woodnick

Karen Oschmann, CPF Administrator, and Gregg Woodnick, Chair of the CPF Board of Trustees, requested approval to exceed the Fund's per-attorney claim cap of \$250,000 in the amount of \$99,333. Attorney Alexander De Lucio was disbarred on July 22, 2024, and was ordered to pay \$1,236,229 in restitution to former clients. According to the State Bar's investigation, Mr. De Lucio was disbarred for settling personal injury claims without the clients' knowledge or permission. After the cases were settled, Mr. De Lucio endorsed and deposited all settlement checks, and did not disburse any funds to his clients. Mr. De Lucio did not participate in either the State Bar discipline or CPF processes and cannot be located.

On February 12, 2025, the Fund's Board of Trustees unanimously voted to approve fifteen claims against Mr. De Lucio totaling \$349,333, which exceeds the Fund's per-attorney cap by \$99,333, and unanimously agreed to seek Board of Governors approval to exceed the cap. The claims were approved for the personal injury settlement amount accepted by Mr. De Lucio on behalf of the claimants, minus the one-third attorney's fees noted in the claimants' fee agreements. The Board discussed.

**MOTION** to approve the request to exceed the Fund's per-attorney claim cap in the amount of \$99,333 in this instance because of the exceptional circumstance in egregious conduct of the attorney in question. In addition, staff is directed to perform an analysis of the Fund's Declaration of Trust to potentially raise the per-attorney cap and to add specific criteria that defines "exceptional/extraordinary circumstances": Samuel Saks

Seconded by: Jena Decker-Xu

Unanimous.

**BREAK** The Board took a 15-minute recess.

**10. BLS Task Force** – Jennifer Rebholz

Jennifer Rebholz, Chair of the BLS Task Force presented on the Task Force’s work. The Task Force is composed of an excellent group of specialists, non-specialists, and public members. The Task Force will be devoting their attention to the following:

1. Enhancing attorney participation in the Specialization Program
2. Enhancing the value and appeal of certification
3. Increasing public awareness and education

The Task Force will be recommending automation of the application process and tracking. They will also investigate opportunities to integrate certified specialists with the Public Service Center and will consider developing a certified specialist directory both print and online. To date there are 416 current specialists.

**11. Legislative Update** – Joe Hengemuehler, Janna Day

Janna Day updated the Board on the outcomes from the Senate Judiciary and Elections Committee meeting that took place on February 12, 2025.

SB1434 (Attorney Discipline; Jury Trial) this would allow an attorney who is the subject of discipline to request a jury trial. Passed.

SB1435 (Attorney Discipline Compensation) if an attorney, who is the subject of an attorney discipline matter, prevails, the State Bar would be responsible to the attorney for any attorney fees, loss of earnings and court costs. Passed.

SB1019 (Judicial Elections) whether to amend Article 6, Section 4 of the Constitution of Arizona to elect justices to the Supreme Court. Did not make it to committee.

**12. Bylaws Review Working Group** – Ted Schmidt, Lisa Panahi

Lisa Panahi, Chief Legal and Compliance Officer, presented. This Group is set to reconvene based on Article 11.02 Review. The Group will conduct a comprehensive review of the State Bar’s Bylaws, propose any general language or technical amendments, and will provide a report and recommendations to the Board. Samuel Saks will chair. President Schmidt called for volunteers. Chloe Woods, Amy Hernandez, Cortez Smith, and Denis Fitzgibbons volunteered.

**13. Program Review Working Group** – Preston Pollock, Roberta Tepper

Preston Pollock presented. The Group has met with representatives of the Ethics Advisory Group, Arizona Attorney Magazine, and the Council on Minorities and Women in the Law. The Group hopes to have recommendations to the Board in the coming months.

**14. Correspondence/Reports** – Ted Schmidt

Correspondence to the Board was received from Robert B. Van Wyck supporting the work of the State Bar, and particularly President Schmidt.

**15. Mark Harrison Memorial 10-Minute Topics** – Robert J. McWhirter

Robert McWhirter presented on Thomas More and traffic tickets.

**16. EXECUTIVE SESSION** – HR Subcommittee

**MOTION** to go into Executive Session by: Chris Russell

Seconded by: Robert J. McWhirter

Unanimous.

The Board meeting moved into Executive Session at 10:40 a.m.

The Board meeting reconvened from Executive Session at 11:10 a.m.

**MOTION** to approve the recommendations of the HR Subcommittee by: Kelsi Lane

Seconded by: Chris Russell

Motion passed; one Nay.

Meeting adjourned at 11:20 a.m.