

**Oregon State Bar
Meeting of the Board of Governors
April 3, 2009
Open Session Minutes**

The meeting was called to order by President Gerry Gaydos at 12:40 p.m. on Friday, April 3, 2009, and adjourned at 4:50 p.m. members present from the Board of Governors were Kathy Evans, Ann Fisher, Michelle Garcia, Gerry Gaydos, Ward Greene, Gina Johnnie, Chris Kent, Steve Larson, Karen Lord, Audrey Matsumonji, Mitzi Naucler, Steve Piucci, Bob Vieira, and Terry Wright. Members of staff present were Danielle Edwards, Susan Grabe, Kay Pulju, Jeff Sapiro, Teresa Schmid, Sylvia Stevens, and Rod Wegener. Other present were Ron Bryant, Bill Carter, Tom Cave, Suzanne Chanti Jeff Crawford, Cindy Hill, Rod Lewis, Chief Judge Anita Jackson, Kevin Luby, Kandis Nunn, Laura Rackner, Jim Rice, Ross Williamson, and Ira Zarov.

Friday, April 3, 2009

1. Professional Liability Fund

A. General Update

The number of claims filed is high for this time of year but the cost for defense has been stable thus far. The PLF and the bar are looking at different ways to keep PLF coverage costs low for those members doing pro bono work. This is also something Teresa and the OSB are focusing on as part of a “member stimulus package.”

B. Budget Report

The poor performance of the stock market has caused the PLF to loose a significant amount of its invested funds but this has not affected the day-to-day operations. There may be a need to raise the PLF premium in 2010 or 2011 by \$200 to \$400. The PLF recognizes that the bar will also need to raise dues in the next year or two and the two boards will do what they can to minimize the financial burden on members.

2. Report of Officers

A. President’s Report

Mr. Gaydos presented a slide show he shared at the Western States Bar Conference which focused on Oregon and the bar. He also reported on his attendance at various functions including the Multnomah Bar Association’s Young Lawyers Summit and his

continued interest in working with the Oregon New Lawyers Division and focus for the future.

B. President Elect Report

Ms. Evans reported on activities and the events she has attended on behalf of the bar. She found the Western States Bar Conference and ABA Bar Leader Institute informative and beneficial.

C. Executive Director Report

Ms. Schmid informed the board of various upcoming issues and events including a visit from members of the Yun Nan Province in SW China, the Supreme Court's favorable response to a "mirror reciprocity" rule, and the ABA summit on fair and impartial courts which she will attend behalf of the OSB. Ms. Schmid provided highlights from the Western States Bar Conference including the economic recovery resources webpage on the ABA website and how other bar organizations are looking at their state's judicial selection process.

D. ONLD Report

Mr. Williamson reported on the ONLD's activities since the last BOG meeting and pointed out the ONLD Master Calendar which shows all upcoming events for the ONLD . The ONLD thanked Ward Greene for his participation in the Career Development and Rainmaking Dinner on April 1. Mr. Williamson also thanked Ann Fisher for her service as the BOG liaison to the ONLD.

3. Board Members' Report

Board members reported on meetings and events they at attended since the last board meeting.

The MBA lunch was well attended and allowed both board members to interact and network. Audrey Matsumonji reported on the Diversity Section's appreciation of Ms. Schmid's contribution to enhancing the relationship between the OSB and minority bar members. Michelle Garcia reported on feedback from a member who is interested in an Access to Justice CLE on how to work with diverse clients. Mitzi Naucler reported that the Linn County Bar is electing an entire slate of new/young lawyers to the board and they are interested in working with the ONLD on an event in Linn County.

4. Special Appearances

Anita Jackson, Chief Judge Warm Springs Tribal Court, shared information regarding the 95 tribal courts in Oregon. She began with a review of the history of Indian tribes' relationships with the US Government, how tribal courts came to be in Oregon, and the varying levels of tribal court jurisdiction throughout our state.

The Warm Springs Court has seen a significant raise in caseload since 2005 from 1248 cases to 2876 cases in 2008. They are considering the addition of a youth court where teenagers preside over cases involving other teens. Unemployment on the reservation is approximately 60%. There is a significant gang issue as well as a high incidence of fetal alcohol syndrome .

A significant problem for the tribal courts is their limited access to legal research engines. Chief Judge Jackson also posed the idea of adding an Indian Law question to the Oregon bar exam.

5. **BOG Committees, Special Committees, Task Forces and Study Groups**

E. Budget and Finance Committee

1. OSB Investment Portfolio and Policy

Mr. Greene reported on the committee's discussion regarding the best way to invest bar funds to ensure three key aspects: safety of the assets, validity of the assets and the highest possible return on the assets.

Action: Ms. Evans moved, Mr. Piucci seconded, and the board unanimously passed the motion to waive the one meeting notice requirement for bylaw change consideration.

Action: The board unanimously passed the committee motion to amend OSB Bylaw 7.402 to add another category of approved investments. The amended bylaw reads as follows:

Subsection 7.402 Approved Investments

Investments will be limited to the following obligations and subject to the portfolio limitations as to issuer:

(a) The State of Oregon Local Government Investment Pool (LGIP) no percentage limit for this issuer.

(b) U.S. Treasury obligations - no percentage limitation for this issuer.

(c) Federal Agency Obligations - each issuer is limited to \$250,000, but not to exceed 25 percent of total invested assets.

(d) U.S. Corporate Bond or Note - Moody "A" or Standard & Poor "A" or better - each issuer limited to \$100,000.

(e) Commercial Paper - Moody "P-1" or Standard & Poor "A-1" or better -each issuer limited to \$100,000.

(f) Mutual funds that commingle one or more of the approved types of investments.

(g) Mutual funds of U.S. and foreign equities and not including individual stock ownership.

(H) Federal deposit insurance corporation accounts.

2. Budget Strategies

Mr. Greene informed board that the OSB is short of the aspirational reserve balance. He also emphasized the importance of the board being conscious of the bar's operating costs and continue to seek a profit from the CLE Seminars and Legal Publications Departments.

F. Policy and Governance Committee

1. BOG Region Reconfiguration

The committee discussed the issues surrounding the change in BOG regions and recommended the reconfiguration be effective January 1, 2011. The new configuration will apply to the BOG election in 2010 for the new board member terms beginning January 1, 2011.

The committee also recommended that BOG members from region 1 and region 3 continue to serve out their terms. The language of ORS 9.025(5) does not disqualify them because they have not moved their offices; additionally, having them complete their terms would limit disruption and would allow all three BOG members from current first year class to remain eligible to serve as president.

The committee further recommends that the HOD election under the new regional configuration take place in 2011 with new delegates terms beginning April of 2011. Those HOD members who would automatically be changed to a different region based on the reconfiguration would also continue to serve out their terms representing the region they were elected to represent.

Action: The board unanimous passed the committee motion to approve each of the three committee recommendations regarding the regional reconfiguration and election of BOG and HOD members.

2. Reporting Period after Reinstatement

Ms. Evans reported the committee's discussion on the current MCLE procedure when a member is reinstated to active membership after a period of inactive status. The committee recommended a change to the MCLE rules to clarify that any member who did not file a compliance report for the reporting period immediately prior to their membership status change will be assigned a new reporting period.

Action: The board unanimous approved the committee's recommendation to change the MCLE rule 3.7 (c) (3) as follows:

“Notwithstanding Rules 3.7 (c) (1) and (2), reinstated members who did not submit a completed compliance report for the reporting period immediately prior to their transfer to inactive status, suspension or resignation will be assigned a new reporting period upon reinstatement. This reporting period shall begin on the date of reinstatement and shall end on December of the next calendar year. All subsequent reporting periods shall be three years.”

G. Public Affairs Committee

1. Update on 2009 Legislative Session

The legislature is focused on the budgetary issues in Oregon, including the financial impact on the court system. Bar members met with legislators during OSB Lobby Day and emphasized the BOG's areas of focus for this year: support for courts, indigent defense, legal services funding, and concerns for low-income Oregonians.

The committee recommended the creation of a task force of board members to review legislative actives during legislative years as well of on off years.

Action: The board unanimously approved the committees recommendation to create a legislative actives task force to review the bar's current legislative approach.

H. Public Member Selection Committee

1. Public Member Recruitment

Mr. Vieira provided the board with an update on the public member recruitment process and encouraged members of the board to think of qualified candidates for the various openings in 2010.

6. BOG Policy on Section Grant Oversight

Staff recently learned that one of the bar sections has obtained a grant and wishes to use some of the funds to hire law students. The board was asked whether it would like to develop some policies regarding section grant requests. The board agreed that this issue should be reviewed by the Policy and Governance Committee and the Budget and Finance Committee to develop a recommendation for board action.

7. Consent Agenda

Action: Ms. Evans moved, Mr. Piucci seconded, and the board unanimously passed the consent agenda with addition of the following appointments recommended by the Appointments Committee:

State Lawyers Assistance Committee:	Bryan Welch
HOD Region 3:	Wesley Gromlich
HOD Region 6:	Claudia Pieters

8. Good of the Order

A. Advertising Task Force

The advertising task force continues to meet already and hopes to have a report with recommendations for the June board meeting.

B. Sustainability Task Force

The sustainability task force meet once and has meetings scheduled throughout the remainder of the year. The group is energetic and committed and is studying the possibility of making sustainability part of the bar's mission.

C. Comment to Oregon RPCs

Ms. Stevens reported that the Supreme Court is not interested in adopting official comment to the Oregon RPCs at this time. The reason given was that it would be a monumental task and not a good use of the court's resources at present. The Chief Justice suggested that the proposal be brought back in the future.