

S T A T E B A R O F M I C H I G A N



Board of Commissioners

Agenda and Materials

January 22, 2021

**STATE BAR OF MICHIGAN
BOARD OF COMMISSIONERS
FRIDAY, JANUARY 22, 2021
9:30 a.m.
VIRTUAL MEETING
AGENDA**

State Bar of Michigan Statement of Purpose

“...The State Bar of Michigan shall aid in promoting improvements in the administration of justice and advancements in jurisprudence, in improving relations between the legal profession and the public, and in promoting the interests of the legal profession in this state.”

Rule 1 of the Supreme Court Rules Concerning the State Bar of Michigan

- I. Call to Order..... Robert J. Buchanan President

CONSENT AGENDA

- II. **Minutes**
A. November 20, 2020 Board meeting*
B. November 10, 2020 Executive Committee meeting*
C. December 8, 2020 Executive Committee meeting*
- III. **President’s Activities**..... Robert J. Buchanan, President
A. Recent Activities*
- IV. **Executive Director’s Activities**.....Janet K. Welch, Executive Director
A. Recent Activities*
- V. **Finance**.....Joseph P. McGill, Chairperson
A. Financial Reports through November 2020*

GUEST SPEAKER

Patricia L. Refo, President
American Bar Association

LEADERSHIP REPORTS

- VI. **President’s and Executive Director’s Report** Robert J. Buchanan, President
Janet K. Welch, Executive Director
- VII. **Representative Assembly Report** Chelsea M. Rebeck, Chairperson
- VIII. **Young Lawyers Section Report**Samantha J. Orvis, Chairperson

COMMISSIONER COMMITTEES

- IX. **Finance**.....Joseph P. McGill, Chairperson
A. FY 2020 Financial Update

- X. **Audit**.....Joseph P. McGill Chairperson
A. FY 2020 Annual Audit Update
B. FY 2019 Audit Update and Report from Andrews Hooper Pavlik PLC

- XI. **Professional Standards**Daniel D. Quick, Chairperson

- XII. **Communications and Member Services**James W. Heath, Chairperson

- XIII. **Public Policy**.....Dana M. Warnez, Chairperson
A. Court Rules**

FOR THE GOOD OF THE PUBLIC AND THE PROFESSION

- XIV. **Comments or questions from Commissioners**

- XV. **Comments or questions from the public**

- XI. **Adjournment**

*Materials included with agenda

**Materials delivered or to be delivered under separate cover or handed out

**STATE BAR OF MICHIGAN
BOARD OF COMMISSIONERS MEETING MINUTES**

President Buchanan called the meeting to order at 9:30 a.m. on Friday, November 20, 2020, via videoconference.

Commissioners present:

Danielle Mason Anderson
David C. Anderson
Kristina A. Bilowus
Robert J. Buchanan, President
Erika L. Butler
Hon. Clinton Canady III
Thomas P. Clement
Josephine A. DeLorenzo
Robert A. Easterly
Lisa J. Hamameh
James W. Heath, Vice President
Thomas H. Howlett
Sarah E. Kuchon
Suzanne C. Larsen
James W. Low

Gerrow D. “Gerry” Mason
E. Thomas McCarthy Jr.
Joseph P. McGill, Treasurer
Valerie R. Newman
Takura N. Nyamfukudza
Nicholas M. Ohanesian
Samantha J. Orvis
Hon. David A. Perkins
Barry R. Powers
Daniel D. Quick, Secretary
Chelsea M. Rebeck
Thomas G. Sinas
Dana M. Warnez, President-Elect
Mark A. Wisniewski
Ryan Zemke

Commissioner Absent

B. D. “Chris” Christenson

Erane C. Washington

State Bar staff present

Janet Welch, Executive Director
Felicia Alvarez, Lawyer Referral Representative
Margaret Bossenbery, Executive Coordinator
Peter Cunningham, Assistant Executive Director and Director, Governmental Relations
Michelle Erskine, Research Assistant & Event Specialist
Liz Goebel, Public Policy Counsel
Tatiana Goodkin, Chief Financial Officer
Kathryn Hennessey, General Counsel
Molly Ranns, LJAP Program Director
Dana Richards, LJAP Clinical Case Manager
Carrie Sharlow, Administrative Assistant
Janna Sheppard, Administrative Assistant
Laurin’ Roberts Thomas, Public Services Counsel

Consent Agenda

The Board received the minutes from both of the September 16, 2020 Board meetings.

The Board received the minutes from the September 8 and October 6, 2020 Executive Committee meetings.

The Board received the recent activities of the president.

The Board received the recent activities of the executive director.

The Board received the draft FY 2020 financial reports through September 30, 2020.

The Board received the financial safety margin calculation.

The Board received the District Character and Fitness Committee appointments.

The Board received the Client Protection Fund claims.

The Board received the Unauthorized Practice of Law claims.

The Board received Model Criminal Jury Instructions.

The Board received section bylaw amendments from the Children's Law, Marijuana Law, and Young Lawyers sections.

Mr. Buchanan asked the Board if any item needed to be removed from the consent agenda. There were none.

A motion was offered and supported to approve the consent agenda. The motion was approved.

LEADERSHIP REPORTS

President and Executive Director's Report: Robert J. Buchanan, President and Janet K. Welch, Executive Director

- Mr. Buchanan administered the oath of office to Commissioners Bilowus, Clement, Mason, and Nyamfukudza, and asked the new commissioners to introduce themselves.
- Ms. Welch asked Ms. Roberts Thomas to introduce Ms. Felicia Alvarez, lawyer referral representative, and asked Ms. Ranns to introduce Mr. Dana Richards, LJAP clinical case manager, who are both new SBM employees.
- Ms. Welch and Ms. Hennessey provided the Board with an update on the Justice for All Task Force, which was created by the Supreme Court 18 months ago, stressing its significance as the locus for discussions about the future of the provision of legal services regulation. The primary recommendation of the task force to the Supreme Court is the creation of an ongoing Access to Justice Commission. Ms. Hennessey shared the draft Justice for All Task Force Report with the Board.
- Ms. Welch provided the Board with updates on:
 - License fee collection;
 - Strategic Planning Report of all State Bar activities that is being used in the compilation of SBM FY 2019-2020 Financial Report;
 - Finance staff has been working on closing last FY year's books while working with the auditors;
 - 2nd Virtual Mass Swearing-In Ceremony;
 - 1st Virtual Section Orientation; and
 - the Unconscious Decision-Making Zoom programs.

Representative Assembly (RA) Report: Chelsea Rebeck, Chairperson

- Ms. Rebeck reported that the officers met and appointed the members and chairs of the RA committees; the RA Diversity Committee, formed during the 2019-2020 bar year, will continue during 2020-2021; steps are being taken to make the Diversity Committee a permanent committee; and plans are underway to develop messaging for the proposed fee increase proposal that will come before the RA at its April meeting.

Young Lawyers Section (YLS) Report: Samantha Orvis, Chairperson

- Ms. Orvis provided the Board with an update on the activities of the YLS, reporting that the YLS Executive Council met in September and elected its officers, and at its October meeting two vacancies in District 3 were filled with three vacancies still existing in District 2, Oakland County. Ms. Orvis asked the Board members to encourage anyone they might know in Oakland County who is a young lawyer to submit their names for a position on the Council.

COMMISSIONER COMMITTEES

Finance: Joseph P. McGill, Chairperson

Mr. McGill reviewed the draft FY 2020 financial results through September 2020.

Mr. McGill introduced Mr. Cunningham and Ms. Goodkin, who provided the Board with a review of the FY 2019/20 financial results and presented a PowerPoint presentation to show the financial results and trends.

Licensing Fee Resolution

Mr. McGill presented an Executive Committee recommendation for the Board to ask the Representative Assembly to address an adjustment in the SBM portion of the license fee, which has not been changed since 2004, at its April 2020 meeting.

Mr. McGill made a motion that “The Board of Commissioners requests that the Representative Assembly of the State Bar of Michigan exercise its exclusive responsibility under Rule 6 Section 1 of the Supreme Court Rules Concerning the State Bar of Michigan and petition the Supreme Court for an increase in State Bar dues at its April 24, 2021 Assembly meeting.”

The motion was seconded and unanimously approved.

Mr. McGill stated that the Retiree Health Care Trustee Committee met and will have more to report at a future board meeting.

Audit: Joseph P. McGill, Chairperson

Mr. McGill reported that the committee is anticipating preliminary audit results in early December and will meet with the auditors at that point. The final audit results will be submitted by December 31.

Professional Standards: Daniel D. Quick, Chairperson

Mr. Quick reported that committee held its initial meeting today, reviewed the areas that the committee had oversight of, and there were no action items to report.

Communications and Member Services (CAMS): James W. Heath, Chairperson

Mr. Heath reported that the CAMS Committee met earlier this week and received updates from various staff members.

The committee is reviewing the SBM mailing list policies and Mr. Heath expects that a proposed policy will be brought to the Board at its January meeting for action. He stated that the committee will also bring a recommendation to the Board about State Bar events and Awards scheduled in 2021.

Public Policy: Dana M. Warnez, Chairperson
Court Rules

ADM File No. 2019-48: Proposed Amendment of MCR 1.109

The proposed amendment of MCR 1.109 would require a signature from an attorney of record on documents filed by represented parties. This language was inadvertently eliminated when MCR 2.114(C) was relocated to MCR 1.109 as part of the e-Filing rule changes.

A motion was offered to support the proposed amendment with these recommendations:

Requirement. ~~Every document filed shall be signed by the person filing it or by at least one attorney of record.~~ **Every document of a party represented by an attorney shall be signed by at least one attorney of record.** A party not represented by an attorney must sign the document. In probate proceedings the following also applies . . .

The motion was seconded and approved.

ADM File No. 2019-35: Proposed Amendment of MCR 6.502

The proposed amendment of MCR 6.502 would eliminate the requirement to return successive motions to the filer and would eliminate the prohibition on appeal of a decision made on a motion for relief from judgment. Further, it would require all such motions to be submitted to the assigned judge, and require a trial court to issue an order when it rejects or denies relief.

A motion was offered to support the proposed amendments with these recommendations:

- (1) Remove redundancies in MCR 6.502(G)(1) as follows: [deletions shown in strikethrough].
Except as provided in subrule (G)(2), regardless of whether a defendant has previously filed a motion for relief from judgment, after August 1, 1995, ~~one and~~ only one motion for relief from judgment may be filed with regard to a conviction. . . .
- (2) Amend MCR 6.502(G)(2) to clarify that a retroactive change in law or discovery of new evidence provides grounds to file a second or subsequent motion for relief from judgment so long as the retroactive change in law or discovery of new evidence occurred after the first motion for relief from judgment was filed, as opposed to when the motion was actually decided. The amended language would read as follows: [additions shown in underline].
A defendant may file a second or subsequent motion based on a retroactive change in law that occurred after the first motion for relief from judgment was filed or a claim of new evidence that was not discovered before the first such motion.

The motion was seconded and approved.

ADM File No. 2020-16: Proposed Amendment of MCR 9.261

The proposed amendment of MCR 9.261 would allow the JTC to share information with two separate divisions of the State Bar of Michigan: the Judicial Qualifications Committee and the Lawyers & Judges Assistance Program.

A motion was offered to support the proposed amendment. The motion was seconded and approved.

ADM File No. 2019-06: Amendment of MCR 6.302

The amendment of MCR 6.302 makes the rule consistent with the Supreme Court's ruling in *People v Warren*, 505 Mich 196 (2020), and requires a judge to advise a defendant of the maximum possible prison sentence including the possibility of consecutive sentencing.

A motion was offered to support the proposed amendments with these amendments to Rule 6.302(B)(2):

...the maximum possible prison sentence for the offense, including, if applicable and based upon the matters pending before that judicial officer, whether the law permits or requires consecutive sentences, making clear to the defendant that the representation only relates to cases pending before that judicial officer, and any mandatory minimum sentence required by law, including a requirement for mandatory lifetime electronic monitoring under MCL 750.520b or 750.520c.

The motion was seconded and approved.

Model Criminal Jury Instructions

The committee proposes adding a new instruction to M Crim JI 5.15, to address the use of a foreign language interpreter during court proceedings before a jury.

A motion was offered to support the new proposed criminal jury instruction with these amendments:

(1) Amendment to paragraph one (1):

This court seeks a fair trial for everyone, regardless of the language they speak or how well it is spoken including those who communicate through sign language.

(2) Amendment to paragraph four (4):

Bias against or for persons who have little or no proficiency in English is not allowed. Do not allow the fact that the court is using an interpreter to help [the defendant/a witness] to influence how you decide the facts or the case in any way. Likewise, do not allow the fact that the testimony is given in a language other than English influence you in any way.

(3) Amendment to last sentence of paragraph five (5):

If, however, after such efforts a discrepancy remains in your mind, ~~I emphasize that you must~~ should rely only upon the official English translation ~~as provided by the official court interpreter and disregard any other contrary interpretation~~. However, it is up to you as the triers of fact to resolve the discrepancy as you would any other question of fact.

The motion was seconded and approved.

FOR THE GOOD OF THE PUBLIC AND THE PROFESSION

Comments or questions from Commissioners

Mr. Wisniewski stated that he had received comments from some of the District H members about the status of jury trials and questioned whether there was a new statement from the Supreme Court lately.

SBM is in regular contact with the Office of the Chief Justice, Administrative Counsel, and the State Court Administrator, and publishes and publicizes all new orders.

At the staff level the SBM has had discussions about communications to the membership about why there is ambiguity and uncertainty in resumption of jury trials given the uncertain and uneven trajectory of COVID-19.

Mr. McGill mentioned that a member's difficulty updating his directory profile.

Judge Perkins urged Board members to stay safe.

Ms. Welch mentioned that two commissioners, Mr. Christenson and Ms. Washington are absent because they are attending new judges' school.

Comments or questions from the public

There were none.

Adjournment

The meeting was adjourned at 11:25 p.m.

State Bar of Michigan
Executive Committee Virtual Meeting
Tuesday, November 10, 2020
4:00 p.m.

Call to Order: President Buchanan called the meeting to order at 4:00 p.m.

Members Present: President Robert J. Buchanan; Vice President James W. Heath; Secretary Daniel D. Quick; Treasurer Joseph P. McGill; Representative Assembly Chair Chelsea M. Rebeck; Representative Assembly Vice Chair Nicholas M. Ohanesian; and Commissioners Erika L. Butler, Lisa J. Hamameh, and Thomas H. Howlett.

Member Excused: President-Elect Dana Warnez

State Bar Staff Present: Janet Welch, Executive Director; Margaret Bossenbery, Executive Coordinator; Nancy Brown, Assistant Executive Director; Peter Cunningham, Assistant Executive Director; Kathryn Hennessey, General Counsel; and Tatiana Goodkin, Chief Financial Officer.

Minutes from October 5, 2020 Meeting

A motion was offered to approve the minutes from the October 6 Executive Committee meeting. The motion was seconded and approved. Mr. McGill abstained.

President and Executive Director's Report

Fee Increase Strategy Discussion

Mr. Buchanan and Ms. Welch provided an update on the fee increase cycle and timetable for consideration of a request for an increase in the SBM fee by the Representative Assembly (RA). The committee members were asked to share their thoughts about the strategies that can get the information and engage RA members in discussions before they meet. After discussion the committee determined that a resolution requesting the Representative Assembly to consider an increase in the SBM component of the licensing fee would be brought before the Board at its November meeting.

Justice for All (JFA) Task Force Update

Ms. Welch updated the executive committee on the JFA Task Force and its potential regulatory impact.

Representative Assembly (RA) Chair's Report

Ms. Rebeck reported that the RA committees and chairs have been appointed. She reported on conversations about timing for a fee increase recommendation and that the Diversity Committee of the RA continues to meet and discuss diversity as it applies to the RA and there are plans to recommend a bylaw change to make the Diversity Committee permanent.

November 20, 2020 Board Agenda

Ms. Bossenbery presented the draft agenda for the November 20, 2020 Board meeting. A motion was offered to approve the agenda as amended. The motion was seconded, and the motion was approved.

Mr. Buchanan asked if the matter of the distribution of members' email addresses should be on the Board agenda. Ms. Hennessey stated that the Communications and Membership Services (CAMS) Committee is reviewing the policies surrounding this issue and anticipate having a recommendation for the Board to consider at its January meeting.

Ms. Hennessey provided the committee with an update on the *Taylor* litigation.

Adjournment

The meeting was adjourned at 4:40 p.m.

State Bar of Michigan
Executive Committee Virtual Meeting
Tuesday, December 8, 2020
4:00 p.m.

Call to Order: President Buchanan called the meeting to order at 4:00 p.m.

Members Present: President Robert J. Buchanan; President-Elect Dana Warnez; Vice President James W. Heath; Secretary Daniel D. Quick; Treasurer Joseph P. McGill; Representative Assembly Chair Chelsea M. Rebeck; Representative Assembly Vice Chair Nicholas M. Ohanesian; and Commissioners Erika L. Butler, Lisa J. Hamameh, and Thomas H. Howlett.

State Bar Staff Present: Janet Welch, Executive Director; Margaret Bossenbery, Executive Coordinator; Nancy Brown, Assistant Executive Director; Peter Cunningham, Assistant Executive Director; Kathryn Hennessey, General Counsel; and Tatiana Goodkin, Chief Financial Officer.

Minutes from November 10, 2020 Meeting

A motion was offered to approve the minutes from the November 10, 2020 Executive Committee meeting. The motion was seconded and approved. Ms. Warnez abstained.

President and Executive Director's Report

Mr. Buchanan recognized Ms. Welch's receiving the NABE 2020 Peer Excellence Award.

Fee Collection Update

Ms. Welch, Mr. Cunningham, and Ms. Goodkin provided an update on the status of the collection of licensing fees. They provided statistics and comparisons with last year's data. Ms. Welch stated that the State Bar will not have a definitive picture of license fee payments and the membership for this bar year until early February 2021.

Unconscious Decision-Making Sessions

Ms. Welch stated that the first two sessions of the State Bar's virtual training series, Unconscious Decision-Making, on December 4, were impressively well attended with several hundred members participating. The second and third sessions are scheduled for December 11 and 18.

Ms. Welch reported that an attendee inquired whether registering and attending these session qualified as CLE in another state. As Michigan is not a mandatory continuing education (MCLE) state, the State Bar does not have the mechanisms in place for certification, but can verify registration of participants. The committee briefly discussed Michigan's minority status as a non-MCLE jurisdiction (along with Massachusetts, Maryland, and South Dakota).

Supreme Court Diversity Commission

Mr. Buchanan and Ms. Welch reported that they had met with Judge Cynthia Stephens about the State Bar's involvement an impending Michigan Supreme Court diversity committee. Judge Stephens requested that the State Bar submit names of possible candidates to serve as State Bar representatives. Ms. Butler, Mr. Heath, and Ms. Rebeck expressed their interest in appointment.

Representative Assembly (RA) Chair's Report

Ms. Rebeck reported that the RA Diversity Committee met and will address two of the recommendations in the Special Issues Committee report regarding increasing the diversity of the RA membership.

Adjournment

The meeting was adjourned at 4:50 p.m.

President Robert J. Buchanan
President's Activities
November 21, 2020 through January 22, 2021

Date	Event	Location
November 21 – January 22	Ongoing State Bar meetings, not noted separately	Virtual
November 25	Meeting with Executive Director Janet Welch, Dir. Outreach Darin Day, and Dir. Comm. Elizabeth Couch	Virtual
November 30	Virtual Admissions Ceremony	Virtual
December 3	Meeting with Hon. Cynthia Stephens, Executive Director Janet Welch, and Asst. Exec. Director Peter Cunningham	Virtual
December 4	Michigan Chapter: American Board of Trial Advocates, annual meeting and holiday gathering	Virtual
December 8	Executive Committee meeting	Virtual
December 11	Unconscious Decision-Making training	Virtual
December 17	Black Women Lawyers Association of Michigan Annual Cocktail Sip Fundraiser	Virtual
December 18	Unconscious Decision-Making training	Virtual
December 21	Call with Director of Communications Elizabeth Couch	
January 6	Call with Director of Communications Elizabeth Couch	
January 6	Grand Rapids Bar Association, Retirement of Hon. Paul Sullivan	Virtual
January 7	Call with Executive Director Janet Welch	
January 12	Eastern District of Michigan FBA New Lawyers Seminar	Virtual
January 13	Michigan Association for Justice, Executive Board Meeting	Virtual
January 14	Board Officers and Executive Director meeting	Virtual
January 22	Board of Commissioners meeting	Virtual

Executive Director Janet K. Welch
Executive Director Activities
November 21, 2020 through January 22, 2021

Date	Event	Location
November 21, 2020 – January 22, 2021	Ongoing SBM staff meetings not noted separately	Virtual
November 23	Executive Team meeting	Virtual
November 23	Cloudlaw meeting	Virtual
November 23	Virtual Admissions Ceremony Prep meeting with Michigan Supreme Court staff	Virtual
November 25	International Working Group - Transition after Pandemic Restrictions meeting	Virtual
November 25	Meeting with Samantha Orvis, Chair, Young Lawyers Section	Virtual
November 30	Virtual Admissions Ceremony	Virtual
December 1	Justice For All (JFA) Committee meeting	Virtual
December 2	Attorney Discipline System meeting	Virtual
December 2	ABA Standing Committee on Bar Activities and Services (SCOBAS)	Virtual
December 3	Committee Appointment meeting	Virtual
December 3	Meeting with Hon. Cynthia Stephens, President Robert Buchanan, and Assistant Executive Director Peter Cunningham	Virtual
December 4	Unconscious Decision-Making session	Virtual
December 7	ABA Presidential Appointments Committee meeting	Virtual
December 7	Integrated Bar Executive Directors meeting	Virtual
December 9	Audit Committee meeting	Virtual
December 9	Finance Committee meeting	Virtual
December 11	Unconscious Decision-Making session	Virtual
December 11	Judicial Council meeting	Virtual
December 11	Michigan Probate Judges Association meeting	
December 15	JFA Press Conference	Virtual

Date	Event	Location
December 16	International Working Group - Transition after Pandemic Restrictions meeting	Virtual
December 16	Integrated Tech Committee meeting	Virtual
December 18	Unconscious Decision-Making session	Virtual
December 23	Meeting with Judge Milton Mack	
December 23	Swearing-In Ceremony for Hon. B. Chris Christenson	Virtual
December 30	Meeting with State Court Administrator, Thomas Boyd	
January 4	Meeting with Joshua Doyle, Executive Director, The Florida Bar	
January 4	Meeting with Dana Orlando, Vice President of Sales and Marketing, Grand Hotel	Virtual
January 5	Access to Justice Commission meeting	Virtual
January 6	Great Rivers Executives Directors meeting	Virtual
January 7	Meeting with President Robert Buchanan	
January 8	ABA Working Group on House Operations meeting	Virtual
January 8	Executive Team meeting	Virtual
January 8	JFA Commission Planning meeting	Virtual
January 11	Executive Team meeting	Virtual
January 12	JFA Committee meeting	Virtual
January 13	International Working Group - Transition after Pandemic Restrictions meeting	Virtual
January 13	Strategic Management Team meeting	Virtual
January 13	Additional Unconscious Decision-Making Training meeting	Virtual
January 14	Board Officers meeting	Virtual
January 15	JFA Planning Team meeting	Virtual
January 15	JFA Executive/Planning Team meeting	Virtual
January 20	Michigan Supreme Court Administrative Hearing	Virtual

Date	Event	Location
January 20	ABA Quarterly Topical ATJC Staff meeting	Virtual
January 21	JFA Executive/Planning committee meeting	Virtual
January 20	Communications and Member Services Committee meeting	Virtual
January 21	Finance Committee meeting	Virtual
January 21	Audit Committee meeting	Virtual
January 21	Public Policy Committee meeting	Virtual
January 22	Professional Standards Committee meeting	Virtual
January 22	Board of Commissioners meeting	Virtual

State Bar of Michigan Financial Results Summary

For the Two Months Ended November 30, 2020

Fiscal Year 2021

Administrative Fund

Summary of YTD November 30, 2020 Actual Results

For the two months ended November 30, 2020, the State Bar had an Operating Loss of \$144,942 and Non-Operating Revenue of \$352,755, for an increase in Net Position of \$207,814. Net Position as of November 30, 2020 totaled \$11,779,720. Net Position excluding the impacts of the Retiree Health Care Trust net of the GASB 75 liability totaled \$9,044,735

YTD Variance from Budget Summary:

YTD Operating Revenue - \$1,474,783 unfavorable to YTD budget, or (3.3%)

YTD Operating Expense - \$1,619,724 favorable to YTD budget, or (8.5)%

YTD Non-Operating Income - \$352,755 favorable to YTD budget, or 2151.6%

YTD Change in Net Position - \$449,651 favorable to YTD budget

YTD Key Budget Variances:

YTD Operating Revenue variance - \$37,596 unfavorable to budget:

- Operating revenue was unfavorable to budget primarily due to lower license fee revenue, lower C&F revenue, Print Center and Website, net higher other revenue in BJ 11, e-Journal, Ethics, LRS, LJAP and other.

YTD Operating Expense variance - \$150,159 favorable to budget:

- Salaries and Employee Benefits/ Payroll Taxes - \$86,910, favorable (7.3%)
 - Underage in salaries and benefits due to vacancies and health care.
- Non-Labor Operating Expenses - \$63,249, favorable (31%)
 - Legal - \$6,684, favorable (12.4%) – Primarily CPF, C&F, and UPL some due to timing.
 - Public and Bar Services - \$13,563, favorable (14.1%) – Under primarily in LRS, LJAP and Diversity.
 - Operations and Policy - \$43,002, favorable (9.2%) – under primarily in Administration, BJ 11, Print Center, Website, Executive Office, Facilities and other.

YTD Non-Operating Revenue Budget Variance - \$337,088 favorable to budget

- Operating investment income is favorable to budget by \$915 or (5.8%).
- Retiree Health Care Trust investment income is favorable by \$336,173 due to investment gain; however, no investment income or loss was budgeted.

Cash and Investment Balance – Admin Fund

As of November 30, 2020, the cash and investment balance in the State Bar Admin Fund (net of “*due to Sections, Client Protection Fund, and Retiree Health Care Trust*”) was \$11,235,952, an increase of \$3,750,540 so far in FY 2021 due to the collection of license fees.

SBM Retiree Health Care Trust

As of November 30, 2020, the SBM Retiree Health Care Trust had a fund balance of \$4,194,893, which is an increase of \$345,729 or 9% so far in FY 2021 due to investment gain.

Capital Budget – Admin Fund

Through November 30, 2020, YTD capital expenditures totaled \$29,950 which is under the YTD capital budget by \$300,050 due to delay in some capex expenditures and rebalancing of the on-going IT projects.

Client Protection Fund

The Net Position of the Client Protection Fund as of November 30, 2020 totaled \$1,948,931, a decrease of \$82,779 so far in FY 2021. Claims expense recorded so far this year total \$203,018 which includes \$24,843 approved claims awaiting signed subrogation agreements.

SBM Membership

As of November 30, 2020, the total active, inactive and emeritus membership in good standing totaled 46,412 attorney members, a net decrease of 92 members so far in FY 2021 (the number of paying attorneys decreased by 44). A total of 156 new members have joined the SBM so far during FY 2021.

**STATE BAR OF MICHIGAN
ADMINISTRATIVE FUND**

Unaudited and For Internal Use Only

**FINANCIAL REPORTS
November 30, 2020**

FY 2021

Note: License fee revenue is recognized and budgeted as earned each month throughout the year.

State Bar of Michigan
Statement of Net Position
Administrative Fund
For the Two Months Ending November 30, 2020

	10/31/2020	11/30/2020	Increase (Decrease)	%	Beginning of FY 2021 10/1/20
ASSETS AND DEFERRED OUTFLOWS					
Cash	\$3,773,405	\$7,230,844	\$3,457,439	91.6%	\$2,555,783
Investments	7,683,457	7,713,448	29,991	0.4%	7,593,526
Accounts Receivable	108,924	106,114	(2,809)	(2.6%)	256,921
Due from ADS	0	0	0	0.0%	75,128
Due from (to) CPF	(34,638)	(124,133)	(89,495)	258.4%	(44,159)
Due to Sections	(3,064,267)	(3,584,207)	(519,940)	17.0%	(2,619,740)
Prepaid Expenses	308,728	284,467	(24,261)	(7.9%)	352,958
Capital Assets	3,570,634	3,483,605	(87,029)	(2.4%)	3,555,659
SBM Retiree Health Care Trust	3,832,449	4,194,893	362,444	9.5%	3,849,164
Total Assets	\$16,178,692	\$19,305,031	\$3,126,340	19.3%	\$15,575,240
Deferred outflows of resources related to pensions	36,627	36,627	0	0.0%	36,627
Deferred outflows of resources related to OPEB	448,630	448,630	0	0.0%	448,630
Total Deferred outflows of resources	485,257	485,257	0	0.0%	485,257
Total Assets and Deferred Outflows of Resources	16,663,949	19,790,288	3,126,340	18.8%	16,060,497
LIABILITIES, DERERRED INFLOWS AND NET POSITION					
Liabilities					
Accounts Payable	\$38,003	\$36,473	(\$1,530)	(4.0%)	\$280,767
Accrued Expenses	577,322	610,920	33,598	5.8%	559,657
Deferred Revenue	2,275,064	5,075,205	2,800,142	123.1%	1,360,196
Net Pension Liability	364,363	364,363	0	0.0%	364,363
Net OPEB Liability	1,581,433	1,581,433	0	0.0%	1,581,433
Total Liabilities	4,836,185	7,668,394	2,832,209	58.6%	4,146,416
Deferred Inflows of resources related to pensions	15,069	15,069	0	0.0%	15,069
Deferred Inflows of resources related to OPEB	327,105	327,105	0	0.0%	327,105
Total Deferred inflows of resources	342,174	342,174	0	0.0%	342,174
Total Liabilities and Deferred Inflows	5,178,359	8,010,568	2,832,209	54.7%	4,488,590
Net Assets					
Invested in Capital Assets, Net of Related Debt	3,570,634	3,483,605	(87,029)	(2.4%)	3,555,659
Restricted for Retiree Health Care Trust	2,372,541	2,734,985	362,444	15.3%	2,389,256
Unrestricted	5,542,415	5,561,130	18,715	0.3%	5,626,992
Total Net Position	11,485,590	11,779,720	294,131	2.6%	11,571,907
Total Liabilities, Deferred Inflows and Net Position	\$16,663,949	\$19,790,288	\$3,126,340	18.8%	\$16,060,497
Net Position <u>excluding</u> the impacts of retiree health care	\$ 9,113,049	\$ 9,044,735			9,182,651

Note: Cash and investments actually available to the State Bar Administrative Fund, after deduction of the "Due to Sections" and "Due to CPF" and not including the "Retiree Health Care Trust" is \$11,235,952 (see below)

State Bar of Michigan
Statement of Net Position
Administrative Fund
For the Two Months Ending November 30, 2020

	10/31/2020	11/30/2020	Increase (Decrease)	%	Beginning of FY 2021 10/1/20
CASH AND INVESTMENT BALANCES					
Cash (including CD's and Money Market)	\$3,773,405	\$7,230,844	\$3,457,439	91.6%	\$2,555,783
Investments	7,683,457	7,713,448	29,991	0.4%	7,593,528
Total Available Cash and Investments	11,456,862	14,944,292	3,487,430	30.4%	10,149,311
Less:					
Due to Sections	3,064,267	3,584,207	519,940	17.0%	2,619,740
Due to CPF	34,638	124,133	89,495	258.4%	44,159
Due to Sections and CPF	3,098,905	3,708,340	609,436	19.7%	2,663,899
Net Administrative Fund Cash and Investment Balance	8,357,957	11,235,952	2,877,995	34.4%	7,485,412

State Bar of Michigan
Statement of Revenue, Expense, and Net Assets
Administrative Fund
For the Two Months Ending November 30, 2020

	Actual YTD	Budget YTD	Variance	Percentage
Revenue				
Legal				
Ethics	\$4,100	\$2,680	\$1,420	52.99%
Character & Fitness	41,640	43,042	(1,402)	(3.26%)
Legal Total	45,740	45,722	18	0.04%
Public and Bar Services				
Lawyer Services	25,622	25,390	232	0.91%
Practice Management Resource Center	-	167	(167)	(100.00%)
Lawyer Referral Service	23,881	23,333	548	2.35%
LJAP	9,105	8,500	605	7.12%
Public and Bar Services Total	58,608	57,390	1,218	2.12%
Operations and Policy				
License Fees	1,211,446	1,253,392	(41,946)	(3.35%)
Other Revenue	67,316	60,500	6,816	11.27%
Bar Journal Directory	2,832	2,700	132	4.89%
Bar Journal 11 issues	63,207	62,075	1,132	1.82%
Print Center	5,227	8,933	(3,706)	(41.49%)
e-Journal	14,639	13,500	1,139	8.44%
Website	5,768	8,167	(2,399)	(29.37%)
Operations and Policy Total	1,370,435	1,409,267	(38,832)	(2.76%)
Non-Operating Revenue				
Investment Income - SBM Operations	16,582	15,667	915	5.84%
Investment Income - Ret HC Trust	336,173	0	336,173	0.00%
Total Non-Operating Revenue	352,755	15,667	337,088	2,151.58%
Total Revenue	1,827,538	1,528,046	299,492	19.60%

State Bar of Michigan
Statement of Revenue, Expense and Net Assets
Administrative Fund
For the Two Months Ending November 30, 2020

	Actual YTD	Budget YTD	Variance	Percentage
Expense				
Legal				
Ethics	\$1,415	\$1,997	(\$582)	(29.14%)
Client Protection Fund Dept	530	1,587	(1,057)	(66.60%)
Character & Fitness	3,625	7,774	(4,149)	(53.37%)
UPL	668	2,158	(1,490)	(69.05%)
General Counsel	340	817	(477)	(58.38%)
Human Resources	336,950	378,049	(41,099)	(10.87%)
Salaries	171,356	186,564	(15,208)	(8.15%)
Legal Total	514,884	578,946	(64,062)	(11.07%)
Public and Bar Services				
Annual Meeting	525	-	525	0.00%
Lawyer Services	4,319	4,572	(253)	(5.53%)
UMLI	15	-	15	0.00%
50 Yr. Golden Celebration	39	-	39	0.00%
Practice Management Resource Center	462	847	(385)	(45.45%)
Lawyer Referral Service	5,444	6,500	(1,056)	(16.25%)
Outreach	701	1,292	(591)	(45.74%)
Diversity	(9,481)	600	(10,081)	(1,680.17%)
LJAP	1,934	3,467	(1,533)	(44.22%)
IT	78,963	79,206	(243)	(0.31%)
Salaries	258,059	285,590	(27,531)	(9.64%)
Total Public and Bar Services	340,980	382,074	(41,094)	(10.76%)
Operations and Policy				
Administration	32,966	44,233	(11,267)	(25.47%)
Financial Services	240,655	239,157	1,498	0.63%
Bar Journal Directory	1,032	1,032	0.00%	0.00%
Bar Journal 11 Issues	40,046	46,612	(6,566)	(14.09%)
Print Center	4,587	9,500	(4,913)	(51.72%)
Website	20,985	23,167	(2,182)	(9.42%)
e-Journal	18,528	17,842	686	3.84%
Media Relations	5,107	4,992	115	2.30%
Executive Office	7,388	9,283	(1,895)	(20.41%)
Board of Commissioners	138	667	(529)	(79.31%)

State Bar of Michigan
Statement of Revenue, Expense and Net Assets
Administrative Fund
For the Two Months Ending November 30, 2020

	Actual YTD	Budget YTD	Variance	Percentage
Governmental Relations	9,358	9,500	(142)	(1.49%)
Research and Development	175	1,008	(833)	(82.64%)
Facilities Services	44,149	62,177	(18,028)	(28.99%)
Justice Initiatives Department	455	433	22	5.08%
Salaries	338,291	340,292	(2,001)	(0.59%)
Operations and Policy Total	763,860	808,863	(45,003)	(5.56%)
Total Expense	1,619,724	1,769,883	(150,159)	(8.48%)
Revenue	1,827,537	1,528,045	299,492	19.60%
Increase (Decrease) in Net Assets	\$207,813	(\$241,838)	\$449,651	(185.93%)
Human Resources Detail				
Payroll Taxes	54,759	62,583	(7,824)	(12.50%)
Benefits	273,908	308,254	(34,346)	(11.14%)
Other Expenses	8,283	7,212	1,071	14.85%
Total Human Resources	336,950	378,049	(41,099)	(10.87%)
Financial Services Detail				
Depreciation	102,004	93,000	9,004	9.68%
Other Expenses	138,651	146,157	(7,506)	(5.14%)
Total Financial Services	240,655	239,157	1,498	0.63%
Salaries				
Legal	171,356	186,564	(15,208)	(8.15%)
Public and Bar Services	258,059	285,590	(27,531)	(9.64%)
Operations and Policy	338,291	340,292	(2,001)	(0.59%)
Total Salaries Expense	767,706	812,446	(44,740)	(5.51%)
Non-Labor Expense Summary				
Legal	14,861	21,545	(48,854)	(12.45%)
Public and Bar Services	82,921	96,484	(13,563)	(14.06%)
Operations and Policy	425,569	468,571	(43,002)	(9.18%)
Total Non-Labor Expense	852,018	957,437	(105,419)	(11.01%)

State Bar of Michigan
Statement of Revenue, Expense and Net Assets
For the Two Months Ending November 30, 2020

YTD FY 2021 Increase (Decrease) in Net Position Summary

	Actual YTD	Budget YTD	Variance	Percentage	Last Year Actual YTD	Variance
Operating Revenue						
- License Fees, Dues & Related	1,211,446	1,253,392	(41,946)	(3.3%)	1,267,380	(55,934)
- All Other Op Revenue	263,337	258,987	4,350	1.7%	282,998	(19,661)
Total Operating Revenue	<u>1,474,783</u>	<u>1,512,379</u>	<u>(37,596)</u>	<u>(2.5%)</u>	<u>1,550,378</u>	<u>(75,595)</u>
Operating Expenses						
- Labor-related Operating Expenses						
Salaries	767,706	812,446	(44,740)	(5.5%)	795,344	(27,638)
Benefits and PR Taxes	328,667	370,837	(42,170)	(11.4%)	324,798	3,869
Total Labor-related Operating Expenses	<u>1,096,373</u>	<u>1,183,283</u>	<u>(86,910)</u>	<u>(7.3%)</u>	<u>1,120,142</u>	<u>(23,769)</u>
- Non-labor Operating Expenses						
Legal	14,861	21,545	(6,684)	(31.0%)	17,084	(2,223)
Public and Bar Services	82,921	96,484	(13,563)	(14.1%)	445,033	(362,112)
Operations and Policy	425,569	468,571	(43,002)	(9.2%)	261,488	164,081
Total Non-labor Operating Expenses	<u>523,351</u>	<u>586,600</u>	<u>(63,249)</u>	<u>(10.8%)</u>	<u>723,605</u>	<u>(200,254)</u>
Total Operating Expenses	<u>1,619,724</u>	<u>1,769,883</u>	<u>(150,159)</u>	<u>(8.5%)</u>	<u>1,843,747</u>	<u>(224,023)</u>
Operating Income (Loss)	(144,942)	(257,504)	112,563	(43.7%)	(293,369)	148,427
Non-operating Revenue (Expenses)						
Investment Income	16,582	15,667	915	5.8%	42,741	(26,159)
Investment Income - Ret HC Trust	336,173	0	336,173	N/A	149,337	186,836
Loss on Disposal of Capital Asset	-	-	-	-	-	-
Net Non-operating revenue (expenses)	<u>352,755</u>	<u>15,667</u>	<u>337,088</u>	<u>2,152%</u>	<u>192,078</u>	<u>160,677</u>

State Bar of Michigan
Statement of Revenue, Expense and Net Assets
For the Two Months Ending November 30, 2020

YTD FY 2021 Increase (Decrease) in Net Position Summary

	Actual YTD	Budget YTD	Variance	Percentage	Last Year Actual YTD	Variance
Increase (Decrease) in Net Position	207,814	(241,837)	449,651	N/A	(101,291)	309,105
Net Position - Beginning the Year	11,571,907	11,571,907	-	0.0%	12,217,220	(645,313)
Net Position - Year-to-Date	11,779,721	11,330,070	449,651	4.0%	12,115,929	(336,208)
Increase (Decrease) in Net Position Excluding Ret HC Trust Inv. Income	(128,359)	(241,837)	113,478	(46.9%)	(250,628)	122,269

State Bar of Michigan
Administrative Fund
FY 2021 Capital Expenditures vs Budget
For the Two Months Ending November 30, 2020

	YTD Actual	YTD Budget	YTD Variance	Variance Explanations
FACILITIES, FURNITURE & OFFICE EQUIPMENT				
Elevator Upgrade/Modernization	\$0	\$20,000	(\$20,000)	Intallation of the control panel
Meeting room upgrades for virtual capabilities	-	20,000	(20,000)	In process of obtaining bids
Replacement of Floor Copiers/Scanners	-	35,000	(35,000)	On hold
Total Facilities, Furniture & Office Equipment:	\$0	\$75,000	(\$75,000)	
INFORMATION TECHNOLOGY				
<u>IT Infrastructure:</u>				
Network Firewalls (2)	\$0	\$25,000	(\$25,000)	Completed in December 2020
Data Center	-	125,000	(125,000)	Scheduled for July 2021
<u>Application Software Development:</u>				
Receivership /Interim Administrator Program data portal	-	30,000	(30,000)	Pending Supreme's Court Program Approval
E-commerce store	-	15,000	(15,000)	In process, obtaining bids.
E-commerce License Fee Portal	9,950	-	9,950	Not budgeted, to be offset by other projects
Firm Billing/Invoices for License Fees	-	10,000	(10,000)	
Firm Administration Application	-	10,000	(10,000)	
Unauthorized Practice of Law Portal	-	20,000	(20,000)	
Client Protection Fund Portal	-	30,000	(30,000)	
Website Functionality Enhancements	5,000	25,000	(20,000)	
Lawyer Referral Module Enhancements	5,000	40,000	(35,000)	
Character & Fitness Hearings Module	7,500	-	7,500	Not budgeted, to be offset by other projects
MIFILE Court Database	2,500	-	2,500	Not budgeted, to be offset by other projects
Total Information Technology:	\$29,950	\$330,000	(\$300,050)	
Total Capital Budget:	\$29,950	\$405,000	(\$375,050)	

**STATE BAR OF MICHIGAN
CLIENT PROTECTION FUND**

Unaudited and For Internal Use Only

**FINANCIAL REPORTS
November 30, 2020**

FY 2021

Note: License fee revenue is recognized and budgeted as earned each month throughout the year.

Client Protection Fund
Statement of Revenue, Expenses, and Changes in Net Assets
November 30, 2020

	2021 YTD	2020 YTD
Income:		
3-7-00-000-0005 Contributions Received	195	-
3-7-00-000-0050 Membership Fees Assessment	106,985	108,364
3-7-00-000-0051 Pro Hac Vice Fees	2,835	2,160
3-7-00-000-0890 Claims Recovery ¹	37,165	3,028
3-7-00-000-0891 Claims Income ²	100	-
Total Income	147,280	113,552
Expenses:		
3-9-00-000-0200 Claims Payment	203,018	34,294
3-9-00-000-0910 Administrative Fee	27,528	36,333
3-9-00-000-0994 Bank Service Charges	70	-
Total Expenses	230,616	70,627
Investment Income	557	4,183
Increase/Decrease in Net Position	(82,779)	47,109
Net Position, Beginning of Year	2,031,710	
Net Position, End of Period	1,948,931	

¹ Represents expected claims recoveries

² Represents miscellaneous income collected

State Bar Of Michigan
Client Protection Fund
Comparative Statement of Net Assets
For the Two Months Ending November 30, 2020

	10/31/2020	11/30/2020	Increase (Decrease)	%	Beginning of FY 2021 10/1/20
Assets					
Cash-Checking	\$159,654	\$196,996	\$37,342	23.4%	\$121,712
Savings	836,405	836,437	32	0.0%	826,370
Investment	1,000,000	1,000,000	-	0.0%	1,000,000
Account Receivable	252,931	249,129	(3,802)	(1.5%)	217,066
Due From SBM	34,638	124,133	89,495	258.4%	44,159
Accrued Interest Receivable	3,107	3,518	411	13.2%	2,682
Total Assets	\$2,286,735	\$2,410,214	\$123,478	5.4%	\$2,211,989
Liabilities					
Accounts Payable		\$24,843	\$24,843	0.0%	\$82,247
Deferred Revenue	196,170	436,440	240,270	122.5%	98,033
Total Liabilities	196,170	461,283	265,113	135.1%	180,280
Fund Balance					
Fund Balance at Beginning of Year	2,031,710	2,031,710	-	0.0%	1,996,790
Net Income (Expense) Year to Date	58,856	(82,779)	(141,635)	(240.6%)	34,920
Total Fund Balance	2,090,565	1,948,931	(141,635)	(6.8%)	2,031,710
Total Liabilities and Fund Balance	\$2,286,735	\$2,410,214	\$123,478	5.4%	\$2,211,989

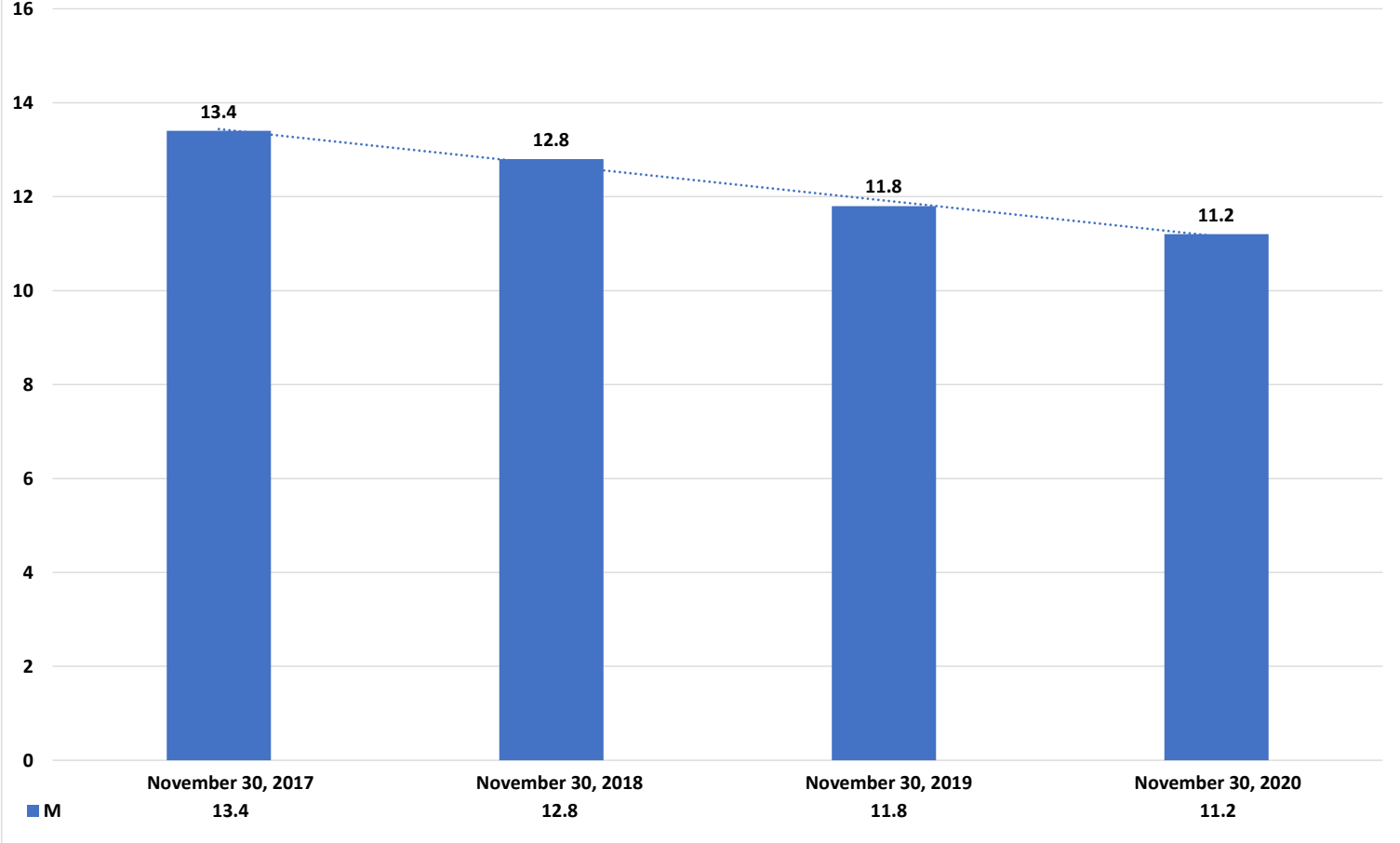
Note 1:

	10/31/2020	11/30/2020
Change in Accounts Receivable		
+ New approved claims receivables	\$353,525	-
- Claims payments received	(2,300)	(2,802)
- Allowance for new approved claims	(315,360)	-
+ Decrease (increase) in claims allowance	-	(1,000)
	\$35,865	(\$3,802)

Note 2:

Beginning October 1, 2020, CPF is recording claim expense when claims are approved. As of November 30, 2020, \$24,843.40 authorized claims were recorded as expense, but were not paid awaiting signatures of subrogation.

State Bar of Michigan Cash & Investments
Excluding Sections, Client Protection Fund and Retiree Health Care Trust
For the Two Months Ending November 30, 2020
\$11.2M



Note: The State Bar of Michigan has no bank debt outstanding

Summary of Cash and Investment Balances by Financial Institution

11/30/2020

Assets	Bank Rating	Financial Institution Summary			Interest Rates	Fund Summary	
		SBM Chase Checking	\$ 1,256,674.21			Client Protection Fund	\$ 2,033,433.11
		SBM Chase Credit Card	\$ 1,188,483.45			State Bar Admin Fund (including Sections)	\$ 14,944,291.51
		SBM Chase E Checking	\$ 152,790.00			Attorney Discipline System	\$ 6,334,689.14
		SBM Chase Payroll	\$ -			SBM Retiree Health Care Trust	\$ 4,194,893.24
		SBM Chase Savings	\$ 1,514,574.90	0.05%		ADB Retiree Health Care Trust	\$ 1,180,498.99
		ADS Chase Checking	\$ 1,939,342.45			AGC Retiree Health Care Trust	\$ 4,132,209.31
		CPF Chase Checking	\$ 196,995.89			Total	<u>\$ 32,820,015.30</u>
		CPF Chase Savings	\$ 38,475.03	0.05%			
\$3.21 Trillion	5 stars	** Chase Totals	\$ 6,287,335.93				
		ADS Bank of America Petty Cash	\$ 1,807.19	0.00%			
\$2.43 Trillion	5 stars	Bank of America Totals	\$ 1,807.19				
		SBM Fifth Third Commercial Now	\$ 412,774.34	0.00% *			
\$202 Billion	5 stars	Fifth Third Totals	\$ 412,774.34				
		Grand River Bank Money Market	\$ 10,006.11	0.35%			
\$320 Million	5 stars	Grand River Bank Totals	\$ 10,006.11				
		Grand River Bank Total w/CD	\$ 998,533.80				
		Sterling Bank	\$ 343.99	0.20%			
\$3 Billion	4 stars	Sterling Bank Money Market	\$ 1,870,264.20	0.20%			
		Sterling Bank Total	\$ 1,870,608.19				
		Citizens Bank Checking	\$ 10,000.00	0.00%			
\$179 Billion	5 stars	Citizens Bank Money Market	\$ 1,586,665.33	0.15%			
		Citizens Bank Totals	\$ 1,596,665.33				
		MSUCU Savings	\$ 8.92	0.00%			
\$4.2 Billion	5 stars	MSUCU Checking	\$ (697.12)	0.00%			
		MSU Credit Union Total	\$ (688.20)				
		MSU Credit Union Total w/CD	\$ 1,988,572.12				
		SBM Flagstar ICS Checking	\$ 3,733.03	0.10%	Maturity		
\$22 Billion	4 stars	SBM Flagstar CDARS - 12 Month	\$ 1,000,000.00	0.50%	03/18/21		
		SBM Flagstar CDARS - 12 Month	\$ 500,000.00	0.50%	03/18/21		
		SBM Flagstar CDARS - 12 Month	\$ 500,000.00	0.50%	03/18/21		
		ADS Flagstar ICS Checking Account	\$ 1,618,761.96	0.10%			
		ADS Flagstar CDARS - 12 Month	\$ 2,000,000.00	0.50%	03/18/21		
		CPF Flagstar ICS Checking	\$ 797,962.19	0.10%			
		CPF Flagstar CDARS - 12 Month	\$ 1,000,000.00	0.50%	03/18/21		
		Flagstar Bank Totals	\$ 7,420,457.18				

	<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Cash and Investments</td> <td style="width: 40%; text-align: right;">\$ 14,944,291.51</td> </tr> <tr> <td>Less:</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Due (to)/from Sections</td> <td style="text-align: right;">(3,584,207.00)</td> </tr> <tr> <td style="padding-left: 20px;">Due (to)/from CPF</td> <td style="text-align: right;">(124,133.00)</td> </tr> <tr> <td style="border-top: 1px solid black;">Due to Sections and CPF</td> <td style="text-align: right; border-top: 1px solid black;">\$ (3,708,340.00)</td> </tr> <tr> <td>Net Administrative Fund</td> <td style="text-align: right;">\$ 11,235,951.51</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 3px double black;">\$ 11,235,951.51</td> </tr> </table>	Cash and Investments	\$ 14,944,291.51	Less:		Due (to)/from Sections	(3,584,207.00)	Due (to)/from CPF	(124,133.00)	Due to Sections and CPF	\$ (3,708,340.00)	Net Administrative Fund	\$ 11,235,951.51		\$ 11,235,951.51
Cash and Investments	\$ 14,944,291.51														
Less:															
Due (to)/from Sections	(3,584,207.00)														
Due (to)/from CPF	(124,133.00)														
Due to Sections and CPF	\$ (3,708,340.00)														
Net Administrative Fund	\$ 11,235,951.51														
	\$ 11,235,951.51														
	<p>SBM Average Weighted Yield: 0.51%</p> <p>ADS Average Weighted Yield: 0.22%</p> <p>CPF Average Weighted Yield: 0.33%</p>														

	<p>Note: average weighted yields exclude retiree health care trusts</p> <p>Notes:</p> <ul style="list-style-type: none"> - All amounts are based on reconciled book balance and interest rates as of 11/30/20 - CDARS are invested in multiple banks up to the FDIC limit for each bank - Funds held in bank accounts are FDIC insured up to \$250,000 per bank - The SBM funds held with Charles Schwab in the Retiree Health Care Trusts are invested in 74% equity and 26% fixed income mutual funds - As of 11/30/2020, the funds held by SBM attributable to ADS was \$774,777.54 - Bank Star rating from Bauer Financial.
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*Lockbox fees are offset by 0.10% (annual rate) on average monthly balance.

**Actual unreconciled Chase balance per statements was \$5,190,616.79.

					Maturity
\$21.5 Billion	4 stars	SBM - CD Chemical Bank (TCF) \$	250,000.00	1.75%	07/25/21
		SBM - CD Chemical Bank (TCF) \$	250,000.00	1.75%	07/25/21
		SBM - CD Chemical Bank (TCF) \$	250,000.00	1.75%	07/25/21
	5 stars	SBM - Grand River Bank \$	253,527.69	2.50%	05/11/21
		SBM - Grand River Bank \$	245,000.00	0.50%	04/17/21
		SBM - Grand River Bank \$	245,000.00	0.85%	09/29/21
		SBM - Grand River Bank \$	245,000.00	0.85%	09/29/21
		SBM - Grand River Bank \$	245,000.00	0.85%	09/29/21
\$4 Billion	5 stars	SBM-CD Horizon Bank \$	245,000.00	0.97%	03/19/21
		SBM-CD Horizon Bank \$	245,000.00	0.97%	03/19/21
		SBM-CD Horizon Bank \$	250,000.00	2.66%	04/25/21
		SBM-CD Horizon Bank \$	250,000.00	2.66%	04/25/21
\$1.36 Billion	3.5 stars	SBM-CD First National Bank of America \$	245,659.68	0.80%	10/12/21
		SBM-CD First National Bank of America \$	250,000.00	0.80%	10/16/21
		SBM-CD First National Bank of America \$	250,000.00	0.80%	10/16/21
		SBM-CD First National Bank of America \$	250,000.00	0.80%	10/16/21
\$4.2 Billion	5 stars	SBM-CD MSU Credit Union \$	249,817.31	0.55%	04/28/21
		SBM-CD MSU Credit Union \$	249,817.31	0.55%	04/28/21
		SBM-CD MSU Credit Union \$	249,817.31	0.55%	04/28/21
		SBM-CD MSU Credit Union \$	249,817.31	0.55%	04/28/21
		SBM-CD MSU Credit Union \$	250,000.00	0.55%	05/21/21
		SBM-CD MSU Credit Union \$	250,000.00	0.55%	05/21/21
		SBM-CD MSU Credit Union \$	250,000.00	0.55%	05/21/21
		SBM-CD MSU Credit Union \$	250,000.00	0.55%	05/21/21
		SBM-CD MSU Credit Union \$	239,991.08	0.55%	05/21/21
		Bank CD Totals \$	5,713,447.69		
Total Cash & Investments (excluding Schwab)		\$	23,312,413.76		
		SBM - Charles Schwab (Ret HC Trust) \$	4,194,893.24	Mutual Funds	
		ADB - Charles Schwab (Ret HC Trust) \$	1,180,498.99	Mutual Funds	
		AGC - Charles Schwab (Ret HC Trust) \$	4,132,209.31	Mutual Funds	
		Charles Schwab Totals \$	9,507,601.54		
Grand Total (including Schwab)		\$	32,820,015.30		
Total amount of cash and investments (excluding Schwab) not FDIC insured		\$	13,640,149.39	58.51%	

Monthly SBM Attorney and Affiliate Report - November 30, 2020

FY 2021

<u>Attorneys and Affiliates In Good Standing</u>	<u>September 30 2014</u>	<u>September 30 2015</u>	<u>September 30 2016</u>	<u>September 30 2017</u>	<u>September 30 2018</u>	<u>September 30 2019</u>	<u>September 30 2020</u>	<u>November 30 2020</u>	<u>FY Increase (Decrease)</u>
Active	41,093	41,608	41,921	42,100	42,342	42,506	42,401	42,312	89
Less than 50 yrs serv	40,036	40,490	40,725	40,833	40,973	41,036	40,559	40,511	48
50 yrs or greater	1,057	1,118	1,196	1,267	1,369	1,470	1,842	1,801	41
Voluntary Inactive	1,211	1,218	1,250	1,243	1,169	1,139	1,192	1,193	(1)
Less than 50 yrs serv	1,184	1,195	1,230	1,217	1,142	1,105	1,149	1,153	(4)
50 yrs or greater	27	23	20	26	27	34	43	40	3
Emeritus	1,552	1,678	1,841	1,973	2,204	2,447	2,727	2,907	(180)
Total Attorneys in Good Standing	43,856	44,504	45,012	45,316	45,715	46,092	46,320	46,412	(92)
Fees paying Attorneys (Active & Inactive less than 50 yrs of Serv)	41,220	41,685	41,955	42,050	42,115	42,141	41,708	41,664	(44)
Affiliates									
Legal Administrators	14	13	13	13	10	10	8	8	0
Legal Assistants	413	425	405	400	401	393	317	325	(8)
Total Affiliates in Good Standing	427	438	418	413	411	403	325	333	(8)
<u>Total Attorneys and Former Attorneys in the Database</u>									
	<u>September 30 2014</u>	<u>September 30 2015</u>	<u>September 30 2016</u>	<u>September 30 2017</u>	<u>September 30 2018</u>	<u>September 30 2019</u>	<u>September 30 2020</u>	<u>November 30 2020</u>	<u>FY Increase (Decrease)</u>
State Bar of Michigan Attorney and Affiliate Type									
<u>Attorneys in Good Standing:</u>									
ATA (Active)	41,093	41,608	41,921	42,100	42,342	42,506	42,401	42,312	89
ATVI (Voluntary Inactive)	1,211	1,218	1,250	1,243	1,169	1,139	1,192	1,193	(1)
ATE (Emeritus)	1,552	1,678	1,841	1,973	2,204	2,447	2,727	2,907	(180)
Total Attorneys in Good Standing	43,856	44,504	45,012	45,316	45,715	46,092	46,320	46,412	(92)
<u>Attorneys Not in Good Standing:</u>									
ATN (Suspended for Non-Payment of Dues)	5,427	5,578	5,743	5,888	6,072	6,246	6,416	6,396	20
ATDS (Discipline Suspension - Active)	407	415	418	430	439	440	445	445	0
ATDI (Discipline Suspension - Inactive)	12	11	18	19	19	24	25	25	0
ATDC (Discipline Suspension - Non-Payment of Court Costs)	1	3	3	16	15	16	16	15	1
ATNS (Discipline Suspension - Non-Payment of Other Costs)	83	92	99	94	95	98	100	101	(1)
ATS (Attorney Suspension - Other)*	1	1	1	0	1	1	2	2	0
ATR (Revoked)	521	517	534	562	583	596	613	617	(4)
ATU (Status Unknown - Last known status was inactive)**	2,088	2,076	2,074	2,070	2,070	2,070	2,070	2,070	0
Total Attorneys Not in Good Standing	8,540	8,693	8,890	9,079	9,294	9,491	9,687	9,671	16
<u>Other:</u>									
ATSC (Former special certificate)	136	140	145	152	155	157	158	158	0
ATW (Resigned)	1,429	1,483	1,539	1,612	1,689	1,798	1,907	1,971	(64)
ATX (Deceased)	8,127	8,445	8,720	9,042	9,287	9,524	9,793	9,833	(40)
Total Other	9,692	10,068	10,404	10,806	11,131	11,479	11,858	11,962	(104)
Total Attorneys in Database	62,088	63,265	64,306	65,201	66,140	67,062	67,865	68,045	(180)

* ATS is a new status added effective August 2012 - suspended by a court, administrative agency, or similar authority

** ATU is a new status added in 2010 to account for approximately 2,600 attorneys who were found not to be accounted for in the iMIS database
The last known status was inactive and many are likely deceased. We are researching these attorneys to determine a final disposition.

N/R - not reported

Notes: Through November 30, 2020 a total of 156 new attorneys joined the SBM so far in FY 2021

SBM

STATE BAR OF MICHIGAN

MICHAEL FRANCK BUILDING
306 TOWNSEND STREET
LANSING, MI 48933-2012

www.michbar.org