



Board of Commissioners

Agenda and Materials

April 8, 2022

STATE BAR OF MICHIGAN
BOARD OF COMMISSIONERS
FRIDAY, APRIL 8, 2022
VIRTUAL MEETING
9:30 A.M.
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.....Dana M. Warnez President

CONSENT AGENDA

- II. **Minutes**
A. January 21, 2022, Board of Commissioners meeting**
B. March 16, 2022 Board of Commissioners meeting*
C. January 11, 2022, Executive Committee meeting*
D. February 15, 2022, Executive Committee meeting*
- III. **President’s Activities**.....Dana M. Warnez, President
A. Recent Activities*
- IV. **Executive Director’s Activities**.....Peter Cunningham, Executive Director
A. Recent Activities*
- V. **Finance**..... Lisa J. Hamameh, Chairperson
A. Financial Reports through February 2022*
B. 2021 Report of the State Bar of Michigan Retirement Plan**
C. 2021 Report of the State Bar of Michigan Retiree Healthcare Trust*
- VI. **Professional Standards** Joseph P. McGill, Chairperson
A. Client Protection Fund Claims*
B. UPL Claims**
- VII. **Public Policy**.....James W. Heath, Chairperson
A. Model Jury Instructions*

LEADERSHIP REPORTS

- VIII. **President's and Executive Director's Report** Dana M. Warnez, President
Peter Cunningham, Executive Director
- A. Work Group Reports
- 1) Sections
- 2) Governance
- B. Proposed Fee Increase Status
- C. Diversity, Equity, and Inclusion Commission
- D. Justice for All Commission
- E. Officer Election Materials*
- IX. **Representative Assembly Report** Nicholas Ohanesian, Chairperson
- A. April 9, 2022, RA Meeting Calendar*
- X. **Young Lawyers Section Report** Kristina Bilowus, Chairperson

COMMISSIONER COMMITTEES

- XI. **Public Policy** James W. Heath, Chairperson
- A. Legislation**
- XII. **Finance** Lisa J. Hamameh, Chairperson
- A. FY 2022 Financial Report
- XIII. **Audit** Lisa J. Hamameh, Chairperson
- A. FY 2023 Auditor Appointment**
- XIV. **Professional Standards** Joseph P. McGill, Chairperson
- XV. **Communications and Member Services** Daniel D. Quick, Chairperson
- A. SBM Awards*

FOR THE GOOD OF THE PUBLIC AND THE PROFESSION

- XVI. **Comments or questions from Commissioners**
- XVII. **Comments or questions from the public**
- XVIII. **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 Warnez called the meeting to order at 3:30 p.m. on Wednesday, March 16, 2022, via videoconference.

Commissioners present:

Danielle Mason Anderson
David C. Anderson
Yolanda Bennett
Kristina A. Bilowus
Aaron V. Burrell
Erika L. Bryant
Hon. B. Chris Christenson
Thomas P. Clement
Sherrree Detzler
Robert A. Easterly
Hon. Kameshia D. Gant
Lisa J. Hamameh, Treasurer
James W. Heath, President-Elect
Thomas H. Howlett
Sarah E. Kuchon
Suzanne C. Larsen

James W. Low
Gerrow D. “Gerry” Mason
E. Thomas McCarthy Jr.
Joseph P. McGill, Secretary
Valerie R. Newman
Takura N. Nyamfukudza
Nicholas M. Ohanesian
Samantha J. Orvis
Hon. David A. Perkins
Daniel D. Quick, Vice President
Hon. Kristen D. Simmons
Delphia T. Simpson
Thomas G. Sinas
Danielle Walton
Dana M. Warnez, President
Mark A. Wisniewski

Commissioners absent:

Colemon Potts

Hon. Erane C. Washington

State Bar staff present:

Peter Cunningham, Executive Director
Margaret Bossenbery, Executive Coordinator

The Board went into an Executive Closed session at 3:35 p.m. to discuss a personnel matter.

The Board returned to an open meeting at 4:48 p.m.

A motion was offered and supported to authorize President Warnez to proceed with the action that was discussed in the closed session. The motion was approved.

The meeting adjourned at 4:52 p.m.

**State Bar of Michigan
Executive Committee Virtual Meeting
Tuesday, January 11, 2022
4:00 p.m.**

Call to Order: President Warnez called the meeting to order at 4:03 p.m.

Members Present: President Dana M. Warnez; President-Elect James W. Heath; Vice President Daniel D. Quick; Secretary Joseph P. McGill; Treasurer Lisa J. Hamameh; Representative Assembly Chair Nicholas M. Ohanesian; and Commissioners Erika L. Bryant, and Suzanne C. Larsen

Members Absent: Representative Assembly Vice Chair Gerrow D. Mason and Hon. David Perkins

State Bar Staff Present: Janet Welch, Executive Director; Margaret Bossenbery, Executive Coordinator; Nancy Brown, Assistant Executive Director; Peter Cunningham, Assistant Executive Director; and Katie Hennessey, General Counsel and Assistant Executive Director

Minutes from the December 7, 2021, Executive Committee Meeting

A motion was offered to approve the minutes from the December 7, 2021 Executive Committee meeting. The motion was seconded and approved.

President and Executive Director's Report

Taylor v Buchanan

Ms. Welch asked Ms. Hennessey to provide an update on the *Taylor v Buchanan* case. Ms. Hennessey reported that the case was not on the January 7 docket of the Court and that she cannot speculate on when it may be considered.

Fee Increase Proposal

Ms. Welch stated that since the last Board meeting, the Supreme Court published a response to the SBM request for an \$80 increase in the licensing fee for active attorneys. The Court's recommendation, however, was for a \$50 increase. Ms. Welch reported that a letter is being drafted in response to the Supreme Court action, and once it is finalized, it will be submitted for publication.

Governance Workgroup

Ms. Warnez advised that an expanded RA/BOC team is being created that will meet later this month to strategize on how to move forward in response to the proposed recommendations it received last year.

Workgroup on Sections

Ms. Bryant advised that the full committee has not met since last Fall, that a meeting took place with a subcommittee of the Michigan Bar Journal Committee, and she is working on scheduling a meeting of the workgroup in February.

Interim Administrators Program (IAP)

Ms. Warnez stated that she spoke to Ms. Chandler about the IAP who reported that she is involved in ongoing communication with the Court and that a vote on the IAP is anticipated to take place at an upcoming administrative hearing.

Representative Assembly (RA)

Mr. Ohanesian reported that all proposals for the April 9, 2022 RA meeting are due by February 28.

January 21, 2022, Board meeting agenda

A motion was made and seconded to approve the agenda for the January 21, 2022 Board of Commissioners meeting. The motion was approved.

Other

There were none.

Executive Director Search Workgroup

A motion was made to go into closed session to discuss a personnel matter. The motion was approved. Ms. Welch was asked to participate in the closed session.

Adjournment

The meeting was adjourned at 5:30 p.m.

State Bar of Michigan
Executive Committee Virtual Meeting
Tuesday, February 15, 2022
4:00 p.m.

Call to Order: President Warnez called the meeting to order at 4:03 p.m.

Members Present: President Dana M. Warnez; President-Elect James W. Heath; Vice President Daniel D. Quick; Secretary Joseph P. McGill; Representative Assembly Chair Nicholas M. Ohanesian; RA Chair-Elect, Gerrow (Gerry) Mason, and Commissioners Erika L. Bryant, Suzanne C. Larsen, and Hon. David Perkins.

Members Absent: Treasurer, Lisa Hamameh

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

President and Executive Director's Report

Fee Increase Proposal

Ms. Welch reported there has been no further communication with the Court on this matter. She stated that to date all comments received from members have been negative and hopes that letters of support will be forthcoming. Ms. Warnez stated that she wrote a column supporting the fee increase in the *Bar Journal*. Mr. Quick asked that a copy of the final letter be distributed to the entire Board along with the information where comments should be sent.

Governance Workgroup

Mr. Ohanesian advised that the Governance Workgroup has established a plan of action to move forward with the recommendations brought forth last year. It is anticipated that the plan will be presented to the Board at its April meeting. The workgroup is coordinating a panel presentation led by the RA officers and will also include key stakeholders. A meeting of the expanded workgroup is scheduled for the end of this month.

Workgroup on Sections

Ms. Bryant reported that the workgroup has a meeting scheduled for tomorrow.

Diversity, Equity, and Inclusion Commission (DEI)

Ms. Warnez reported that Justice Welch sent a letter to her and Mr. Heath asking for a SBM appointment to the DEI Committee and stated that they would entertain suggestions from this group. Executive Director Welch stated that she and Mr. Cunningham attended the last DEI Executive Team meeting, and the focus was on collecting names and vetting individuals for the at-large seats.

Justice for All (JFA) Commission

Ms. Welch reported this is the second year of the JFA Commission, and that Ms. Warnez has joined the commission. Ms. Welch stated that she would remain on the Regulatory Committee after she retires.

Representative Assembly (RA)

Mr. Ohanesian reported that all proposals for the April 9, 2022 RA meeting are due by February 28.

March 4 Board meeting agenda

Ms. Warnez stated that she does not see the need to have a March 4, 2022 Board of Commissioners meeting. Ms. Bossenbery will let the commissioners know.

Barristers Ball – April 20, 2022

A motion was offered and supported to purchase table(s) to the Wolverine Bar Association Barristers Ball to accommodate each EC member and a guest to attend. The motion passed.

Other

There were none.

Executive Session

A motion was made to go into closed session to discuss a personnel matter. The motion was approved. Ms. Welch was asked to participate in the closed session.

Adjournment

The meeting was adjourned at 5:09 p.m.

President Dana M. Warnez
President's Activities
January 21 through April 8, 2022

Date	Event	Location
January 24 – April 8	Numerous meetings surrounding the Executive Directors hiring	Virtual
January 26	Federal Bar Association New Lawyer Orientation	Virtual
February 14	Meeting with Members of Michigan Delegation to the ABA House of Delegates	Virtual
February 14	House of Delegates meeting	Virtual
February 15	Executive Committee meeting	Virtual
February 16	Workgroup on Sections meeting	Virtual
February 16	Michigan State Bar Foundation meeting	Virtual
February 17	Pre-Governance Committee meeting	Virtual
February 17	Rochester Bar Association meeting	Rochester
February 23	Governance Committee meeting	Virtual
March 9	Meeting with SBM Officers and Executive Director, Peter Cunningham	Virtual
March 15	Genesee County Inns of the Court meeting	Flint
March 16	Board of Commissioners meeting	Virtual
March 22	Workgroup on Sections meeting	Virtual
March 29	Executive Committee meeting	Virtual
April 8	Board of Commissioners meeting	Virtual

Executive Director Peter Cunningham
Executive Director Activities
March 1 through April 8, 2022

Date	Event
February 15 – March 1	Transitioning - Meetings with members of the Strategic Management Team (SMT), Governance Committee, Workgroup on Sections, Strategic Planning Committee, Diversity, Equity, and Inclusion (DEI) Commission, ICLE Executive Committee, SBM Officers, and All Staff
March 2	Representative Assembly (RA) Committee meetings
March 3	Public Policy Committee meeting
March 8	Judicial Qualifications (JQ) Committee meeting
March 8	House Judiciary Committee meeting
March 9	Meeting with SBM Officers
March 11	DEI Commission Executive Committee meeting
March 14	JQ Committee meeting
March 14	Justice for All (JFAC) Resource Committee meeting
March 14	JFAC Commission meeting
March 15 – 17	National Association of Bar Executives (NABE) Chief Executive Officers Retreat
March 16	Michigan Supreme Court Administrative Hearing
March 17	JFAC Executive Committee
March 18	RA Leadership meeting
March 18	Judicial Section Council meeting
March 18	JFAC Communications Committee meeting
March 18	ABA Day 2022 Planning Committee meeting
March 21 & 24	Budget Forecasting meetings with SBM staff
March 22	Meeting with <i>SBM v Taylor</i> Case Team
March 22	Workgroup on Sections meeting
March 24	Access to Justice (ATJ) Campaign Steering Committee meeting
March 24	SBM Implicit Bias Training meeting
March 25	JQ Committee meeting
March 29	Executive Committee meeting

Date	Event
March 30	JFAC Executive Committee meeting
April 5	Professional Standards Committee meeting
April 6	Meeting with Disciplinary Board System
April 6	SBM Implicit Bias Training meeting
April 6	Finance Committee meeting
April 6	Audit Committee meeting
April 7	Public Policy Committee meeting
April 8	Communications and Member Services (CAMS) Committee meeting
April 8	Board of Commissioners meeting

State Bar of Michigan Financial Results Summary

For the Five Months Ended February 28, 2022
Fiscal Year 2022

Administrative Fund - Summary of Results as of January 31, 2022

Operating Revenue	\$4,018,832
Operating Expense	<u>\$4,326,321</u>
Operating Loss	(\$307,489)
Non-Operating Income (Loss)	<u>(\$344,676)</u>
Change in Net Position	<u><u>(\$652,165)</u></u>
Net Position, October 1, 2021	\$11,773,220
Net Position, February 28, 2022	<u><u>\$11,121,055</u></u>

As of February 28, 2022, Net Position excluding Retiree Healthcare Trust was \$8,110,968, a decrease of \$312,044 since the beginning of the year. However, the decrease was **favorable** to budget by **\$347,291**.

YTD Operating Revenue variance - \$4,373, unfavorable to budget 0.1%:

Operating revenue was higher in License Fees and Related (\$2,288 or 0.7%) offset by lower other operating revenue primarily due to C&F.

YTD Operating Expense variance - \$346,506, favorable to budget (7.4%):

Salaries and Employee Benefits/ Payroll Taxes – \$26,249 favorable (0.9%)

- Under budget in salaries and benefits due to vacancies and health care.

Non-Labor Operating Expenses - \$320,257, favorable (20.2%)

- Legal - \$29,594, favorable (36.7%) – Under budget mainly due to lower expenses for C&F and external counsel.

- Public and Bar Services - \$101,129 (28.5%), favorable – Under budget primarily in IT and Outreach, some due to timing.
- Operations and Policy - \$189,534, favorable (16.5%) – Under budget primarily in Finance due to depreciation expense, Bar Journal, EO/BOC and Facilities, some due to timing.

YTD Non-Operating Revenue Budget Variance - \$344,676 unfavorable to budget:

- Operating investment income is favorable to budget by \$5,158 (37.5%).
- Retiree Health Care Trust net investment loss of \$363,584 (this amount is not budgeted).

Cash and Investment Balance

As of February 28, 2022, 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 \$9,860,181, an increase of \$2,188,297 from the beginning of the year due to collection of FY 2022 license fees.

SBM Retiree Health Care Trust

As of February 28, 2022, the SBM Retiree Health Care Trust investments were \$4,390,796, a decrease of \$340,118 since the beginning of the year. The change was a result of the investment loss of \$358,765, SBM contributions of \$23,889, and investment advisor fees of \$5,242.

Capital Budget

As of February 28, 2022, YTD capital expenditures totaled \$87,000 which is under the annual capital budget by \$234,800 due to timing of projects.

Client Protection Fund

The Net Position of the Client Protection Fund as of February 28, 2022, totaled \$1,868,222, an increase of \$34,103 from the beginning of the year. Claims expenses totaled \$176,690.

SBM Membership

As of February 28, 2022, the active, inactive, and emeritus membership in good standing totaled 46,353 attorneys, a net decrease of 170 attorneys since the beginning of the year; the number of paying attorneys decreased by 269. A total of 537 new attorneys have joined the SBM since the beginning of the year.

FY 2022 Forecast

Excluding income of the SBM retiree healthcare trust, which is not budgeted or forecasted, SBM projects FY 2022 operating loss of \$1,825,661, with a favorable year-end budget variance of \$262,029.

- **License fees and related revenues** are expected to be at the budgeted levels, with exception of late fees which are expected to be higher than budget, resulting in the overall positive variance of \$14k.
- **Other operating revenues** are expected to be lower than budget by \$34k primarily due to lower revenue for C&F and LJAP. **Interest income** is projected to be higher by \$12k due to higher interest rates.
- **Salaries and benefits** are expected to be slightly lower than the budgeted levels (\$40k).
- **Operating expenses** are expected to be lower than budget by \$229k due to lower travel and meeting expenses (LJAP, EO/BOC, RA, and Government Relations), depreciation, and IT expenses.
- **Capital expenditures** for FY 2022 are expected to be at \$315.8k compared to the approved budget of \$321.8k.

**STATE BAR OF MICHIGAN
ADMINISTRATIVE FUND**

Unaudited and For Internal Use Only

**FINANCIAL REPORTS
February 28, 2022**

FY 2022

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 Five Months Ending February 28, 2022

	1/31/2022	2/28/2022	Increase (Decrease)	%	Beginning of FY 2022 10/1/21
ASSETS AND DEFERRED OUTFLOWS					
Cash	\$8,180,972	\$6,255,793	(\$1,925,179)	(23.5%)	\$4,696,954
Investments	5,976,913	7,476,913	1,500,000	25.1%	5,979,540
Accounts Receivable	60,755	41,561	(19,194)	(31.6%)	73,941
Due from (to) CPF	(5,543)	(1,103)	4,440	(80.1%)	(21,276)
Due to Sections	(3,906,446)	(3,871,421)	35,025	(0.9%)	(2,983,335)
Prepaid Expenses	331,881	309,733	(22,148)	(6.7%)	466,629
Capital Assets	3,263,388	3,243,338	(20,050)	(0.6%)	3,343,587
SBM Retiree Health Care Trust	4,507,157	4,390,796	(116,361)	(2.6%)	4,730,914
Total Assets	\$18,409,076	\$17,845,610	(\$563,467)	(3.1%)	\$16,286,954
Deferred outflows of resources related to pensions	38,551	38,551		0.0%	38,551
Deferred outflows of resources related to OPEB	779,487	779,487		0.0%	779,487
Total Deferred outflows of resources	818,038	818,038		0.0%	818,038
Total Assets and Deferred Outflows of Resources	19,227,114	18,663,647	(563,467)	(2.9%)	17,104,992
LIABILITIES, DERERRED INFLOWS AND NET POSITION					
Liabilities					
Accounts Payable	\$42,018	\$3,856	(\$38,162)	(90.8%)	\$299,588
Accrued Expenses	646,528	701,060	54,532	8.4%	629,109
Deferred Revenue	4,804,339	4,275,012	(529,326)	(11.0%)	1,840,416
Net Pension Liability	402,467	402,467		0.0%	402,467
Net OPEB Liability	1,381,131	1,381,131		0.0%	1,381,131
Total Liabilities	7,276,483	6,763,527	(512,956)	(7.0%)	4,552,710
Deferred Inflows of resources related to OPEB	779,062	779,062		0.0%	779,062
Total Deferred inflows of resources	779,062	779,062		0.0%	779,062
Total Liabilities and Deferred Inflows	8,055,545	7,542,589	(512,956)	(6.4%)	5,331,772
Net Assets					
Invested in Capital Assets, Net of Related Debt	3,263,388	3,243,338	(20,050)	(0.6%)	3,343,587
Restricted for Retiree Health Care Trust	3,126,451	3,010,090	(116,361)	(3.7%)	3,350,208
Unrestricted	4,781,730	4,867,631	85,901	1.8%	5,079,425
Total Net Position	11,171,569	11,121,058	(50,510)	(0.5%)	11,773,220
Total Liabilities, Deferred Inflows and Net Position	\$19,227,114	\$18,663,647	(\$563,467)	(2.9%)	\$17,104,992
Net Position <u>excluding</u> the impacts of retiree health care	\$8,045,118	\$8,110,968	\$65,851	3.3%	\$8,423,012

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 \$9,860,181 (see below)

	1/31/2022	2/28/2022	Increase (Decrease)	%	Beginning of FY 2022 10/1/21
CASH AND INVESTMENT BALANCES					
Cash (including CD's and Money Market)	\$8,180,972	\$6,255,793	(\$1,925,179)	(23.5%)	\$4,696,954
Investments	5,976,913	7,476,913	1,500,000	25.1%	5,979,540
Total Available Cash and Investments	14,157,884	13,732,705	(425,179)	(3.0%)	10,676,495
Less:					
Due to Sections	3,906,446	3,871,421	(35,025)	(0.9%)	2,983,335
Due to CPF	5,543	1,103	(4,440)	(80.1%)	21,276
Due to Sections and CPF	3,911,989	3,872,524	(39,465)	(1.0%)	3,004,611
Net Administrative Fund Cash and Investment Balance	10,245,895	9,860,181	(385,714)	(3.8%)	7,671,884

State Bar of Michigan
Statement of Revenue, Expense and Net Assets
For the Five Months Ending February 28, 2022

YTD FY 2022 Increase (Decrease) in Net Position Summary

	Actual	Budget	Variance	Percentage	Prior Year	Variance	Percentage
	YTD	YTD			Actual YTD		
Operating Revenue							
- License Fees, Dues & Related	3,314,630	3,291,742	22,888	0.7%	3,323,317	(8,687)	(0.3%)
- All Other Op Revenue	704,202	731,463	(27,261)	(3.7%)	696,044	8,158	1.2%
Total Operating Revenue	<u>4,018,832</u>	<u>4,023,205</u>	<u>(4,373)</u>	<u>(0.1%)</u>	<u>4,019,361</u>	<u>(529)</u>	<u>(0.0%)</u>
Operating Expenses							
- Labor-related Operating Expenses							
Salaries	2,269,433	2,279,175	(9,742)	(0.4%)	2,120,642	148,791	7.0%
Benefits and PR Taxes	790,516	807,023	(16,507)	(2.0%)	777,262	13,254	1.7%
Total Labor-related Operating Expenses	<u>3,059,949</u>	<u>3,086,198</u>	<u>(26,249)</u>	<u>(0.9%)</u>	<u>2,897,904</u>	<u>162,045</u>	<u>5.6%</u>
- Non-labor Operating Expenses							
Legal	51,042	80,636	(29,594)	(36.7%)	45,215	5,827	12.9%
Public and Bar Services	253,156	354,285	(101,129)	(28.5%)	302,556	(49,400)	(16.3%)
Operations and Policy	962,174	1,151,708	(189,534)	(16.5%)	1,021,756	(59,582)	(5.8%)
Total Non-labor Operating Expenses	<u>1,266,372</u>	<u>1,586,629</u>	<u>(320,257)</u>	<u>(20.2%)</u>	<u>1,369,527</u>	<u>(103,155)</u>	<u>(7.5%)</u>
Total Operating Expenses	<u>4,326,321</u>	<u>4,672,827</u>	<u>(346,506)</u>	<u>(7.4%)</u>	<u>4,267,431</u>	<u>58,890</u>	<u>1.4%</u>
Operating Income (Loss)	<u>(307,489)</u>	<u>(649,622)</u>	<u>342,133</u>	<u>(52.7%)</u>	<u>(248,070)</u>	<u>(59,419)</u>	<u>24.0%</u>
Non-operating Revenue (Expenses)							
Investment Income	18,908	13,750	5,158	37.5%	36,644	(17,736)	(48.4%)
Investment Income - Ret HC Trust	(363,584)	-	(363,584)	N/A	630,518	(994,102)	N/A
Loss on Disposal of Capital Asset	-	-	-	N/A	-	-	N/A
Net Non-operating Revenue (Expenses)	<u>(344,676)</u>	<u>13,750</u>	<u>(358,426)</u>	<u>(2,607%)</u>	<u>667,162</u>	<u>(1,011,838)</u>	<u>(152%)</u>
Increase (Decrease) in Net Position	<u>(652,165)</u>	<u>(635,872)</u>	<u>(16,293)</u>	<u>N/A</u>	<u>419,092</u>	<u>(1,071,257)</u>	<u>N/A</u>
Net Position - Beginning the Year	<u>11,773,220</u>	<u>11,773,220</u>	<u>-</u>	<u>0.0%</u>	<u>11,571,907</u>	<u>201,313</u>	<u>1.7%</u>
Net Position - Year-to-Date	<u><u>11,121,055</u></u>	<u><u>11,137,348</u></u>	<u><u>(16,293)</u></u>	<u><u>(0.1%)</u></u>	<u><u>11,990,999</u></u>	<u><u>(869,944)</u></u>	<u><u>(7.3%)</u></u>
Increase (Decrease) in Net Position Excluding Ret HC Trust Inv. Income	<u>(288,581)</u>	<u>(635,872)</u>	<u>347,291</u>		<u>(211,426)</u>	<u>(77,155)</u>	<u>36.5%</u>

State Bar of Michigan
Statement of Revenue, Expense, and Net Assets
Administrative Fund
For the Five Months Ending February 28, 2022

	Actual YTD	Budget YTD	Variance	Percentage	Prior Year YTD	Variance	Percentage
Revenue							
Legal							
Ethics	\$800	\$2,925	(\$2,125)	(72.65%)	\$4,625	(\$3,825)	(82.70%)
Character & Fitness	158,550	231,146	(72,596)	(31.41%)	203,160	(44,610)	(21.96%)
Legal Total	159,350	234,071	(74,721)	(31.92%)	207,785	(48,435)	(23.31%)
Public and Bar Services							
Lawyer Services	97,731	94,925	2,806	2.96%	94,995	2,736	2.88%
Practice Management Resource Center	-	1,458	(1,458)	(100.00%)	500	(500)	(100.00%)
Lawyer Referral Service	104,758	62,500	42,258	67.61%	56,309	48,449	86.04%
LJAP	20,927	25,000	(4,073)	(16.29%)	22,465	(1,538)	(6.85%)
Public and Bar Services Total	223,416	183,883	39,533	21.50%	174,269	49,147	28.20%
Operations and Policy							
License Fees	3,314,630	3,291,742	22,888	0.70%	3,323,317	(8,687)	(0.26%)
Other Revenue	151,942	154,242	(2,300)	(1.49%)	157,040	(5,098)	(3.25%)
Bar Journal Directory	125	-	125	0.00%	7,554	(7,429)	(98.35%)
Bar Journal	110,102	106,642	3,460	3.24%	100,481	9,621	9.57%
Print and Design	18,640	15,417	3,223	20.91%	14,731	3,909	26.54%
e-Journal	19,698	17,000	2,698	15.87%	16,869	2,829	16.77%
Digital	20,929	20,208	721	3.57%	17,315	3,614	20.87%
Operations and Policy Total	3,636,066	3,605,251	30,815	0.85%	3,637,307	(1,241)	(0.03%)
Non-Operating Revenue							
Investment Income - SBM Operations	18,908	13,750	5,158	37.51%	36,644	(17,736)	(48.40%)
Investment Income - Ret HC Trust	(363,584)	-	(363,584)	0.00%	630,518	(994,102)	(157.66%)
Total Non-Operating Revenue	(344,676)	13,750	(358,426)	(2,606.73%)	667,162	(1,011,838)	(151.66%)
Total Revenue	3,674,156	4,036,955	(362,799)	(8.99%)	4,686,523	(1,012,367)	(21.60%)

State Bar of Michigan
Statement of Revenue, Expense and Net Assets
Administrative Fund
For the Five Months Ending February 28, 2022

Expense	Actual YTD	Budget YTD	Variance	Percentage	Prior Year YTD	Variance	Percentage
Legal							
Ethics	\$1,938	\$3,470	(\$1,532)	(44.15%)	\$1,659	\$279	16.82%
Client Protection Fund Dept	7,487	2,265	5,222	230.55%	892	6,595	739.35%
Character & Fitness	13,943	23,708	(9,765)	(41.19%)	19,941	(5,998)	(30.08%)
UPL	1,932	3,625	(1,693)	(46.70%)	1,539	393	25.54%
General Counsel	4,157	25,486	(21,329)	(83.69%)	3,563	594	16.67%
Human Resources	812,101	829,105	(17,004)	(2.05%)	794,883	17,218	2.17%
Salaries	486,417	528,980	(42,563)	(8.05%)	472,718	13,699	2.90%
Legal Total	1,327,975	1,416,639	(88,664)	(6.26%)	1,295,195	32,780	2.53%
Public and Bar Services							
Annual Meeting	-	-	-	-	(2,851)	2,851	(100.00%)
Lawyer Services	12,788	14,315	(1,527)	(10.67%)	13,304	(516)	(3.88%)
UMLI	-	-	-	-	15	(15)	(100.00%)
50 Yr. Golden Celebration	-	-	-	-	232	(232)	(100.00%)
Practice Management Resource Center	1,103	3,930	(2,827)	(71.93%)	1,103	-	0.00%
Lawyer Referral Service	1,001	958	43	4.49%	5,593	(4,592)	(82.10%)
Outreach	25,493	61,940	(36,447)	(58.84%)	20,799	4,694	22.57%
Diversity	269	6,183	(5,914)	(95.65%)	21,076	(20,807)	(98.72%)
LJAP	625	5,142	(4,517)	(87.85%)	2,990	(2,365)	(79.10%)
Technical Services	211,877	261,817	(49,940)	(19.07%)	240,295	(28,418)	(11.83%)
Salaries	829,157	810,265	18,892	2.33%	719,849	109,308	15.18%
Total Public and Bar Services	1,082,313	1,164,550	(82,237)	(7.06%)	1,022,405	59,908	5.86%
Operations and Policy							
Administration	69,305	66,918	2,387	3.57%	58,959	10,346	17.55%
Financial Services	493,729	550,218	(56,489)	(10.27%)	575,176	(81,447)	(14.16%)
Bar Journal Directory	50	-	50	-	1,105	(1,055)	(95.48%)
Bar Journal	140,690	159,794	(19,104)	(11.96%)	145,048	(4,358)	(3.00%)
Print and Design	12,688	20,133	(7,445)	(36.98%)	11,407	1,281	11.23%
Digital	69,099	78,058	(8,959)	(11.48%)	40,443	28,656	70.86%
e-Journal	5,201	7,050	(1,849)	(26.23%)	22,160	(16,959)	(76.53%)
General Communications	2,211	9,975	(7,764)	(77.83%)	7,234	(5,023)	(69.44%)
Executive Office	8,657	26,310	(17,653)	(67.10%)	11,065	(2,408)	(21.76%)
Board of Commissioners	4,710	27,575	(22,865)	(82.92%)	1,635	3,075	188.07%
Governmental Relations	23,960	27,800	(3,840)	(13.81%)	22,983	977	4.25%
Research and Development	309	2,908	(2,599)	(89.37%)	220	89	40.45%
Facilities Services	129,589	172,408	(42,819)	(24.84%)	123,088	6,501	5.28%
Justice Initiatives	1,976	2,561	(585)	(22.84%)	1,233	743	60.26%
Salaries	953,859	939,930	13,929	1.48%	928,075	25,784	2.78%
Operations and Policy Total	1,916,033	2,091,638	(175,605)	(8.40%)	1,949,831	(33,798)	(1.73%)
Total Expense	4,326,321	4,672,827	(346,506)	(7.42%)	4,267,431	58,890	1.38%
Increase (Decrease) in Net Assets	(\$652,164)	(\$635,873)	(\$16,291)	2.56%	\$419,092	(\$1,071,256)	(255.61%)

	Actual YTD	Budget YTD	Variance	Percentage	Prior Year YTD	Variance	Percentage
Human Resources Detail							
Payroll Taxes	165,021	173,226	(8,205)	(4.74%)	152,908	12,113	7.92%
Benefits	625,495	633,797	(8,302)	(1.31%)	624,354	1,141	0.18%
Other Expenses	21,585	22,082	(497)	(2.25%)	17,621	3,964	22.50%
Total Human Resources	812,101	829,105	(17,004)	(2.05%)	794,883	17,218	2.17%
Financial Services Detail							
Depreciation	187,249	233,333	(46,084)	(19.75%)	255,009	(67,760)	(26.57%)
Other Expenses	306,480	316,885	(10,405)	(3.28%)	320,167	(13,687)	(4.27%)
Total Financial Services	493,729	550,218	(56,489)	(10.27%)	575,176	(81,447)	(14.16%)
Salaries							
Legal	486,417	528,980	(42,563)	(8.05%)	472,718	13,699	2.90%
Public and Bar Services	829,157	810,265	18,892	2.33%	719,849	109,308	15.18%
Operations and Policy	953,859	939,930	13,929	1.48%	928,075	25,784	2.78%
Total Salaries Expense	2,269,433	2,279,175	(9,742)	(0.43%)	2,120,642	148,791	7.02%
Non-Labor Expense Summary							
Legal	51,042	80,636	(29,594)	(36.70%)	45,215	5,827	12.89%
Public and Bar Services	253,156	354,285	(101,129)	(28.54%)	302,556	(49,400)	(16.33%)
Operations and Policy	962,174	1,151,708	(189,534)	(16.46%)	1,021,756	(59,582)	(5.83%)
Total Non-Labor Expense	1,266,372	1,586,629	(320,257)	(20.18%)	1,369,527	(103,155)	(7.53%)

State Bar of Michigan
Administrative Fund
FY 2022 Capital Expenditures vs Budget
For the Five Months Ending February 28, 2022

	YTD Actual	YTD Budget	YTD Variance	Notes and Variance Explanations	Total Approved FY 2022 Budget	FY 2022 Year-End Forecast	Projected Year-end Variance
FACILITIES, FURNITURE & OFFICE EQUIPMENT							
Meeting room upgrades for virtual capabilities	-	-	-	In process, obtaining bids.	20,000	20,000	-
Replacement of Floor Copiers/Scanners	-	-	-	In process, obtaining bids.	35,000	35,000	-
Total Facilities, Furniture & Office Equipment:	-	-	-		55,000	55,000	-
INFORMATION TECHNOLOGY							
<u>IT Infrastructure:</u>							
Replacement of ethernet switches for rooms 2, 3, 4 and garden level	-	-	-	Ordered, will be installed in April.	\$58,000	\$52,000	(6,000)
<u>Application Software Development:</u>							
Receivership /Interim Administrator Program data portal	-	-	-	Pending MI Supreme Court program approval.	35,000	20,000	(15,000)
E-commerce Store	47,700	47,700	-		15,000	50,600	35,600
E-commerce Events	-	-	-	Not budgeted, to be offset by other projects	-	20,000	20,000
E-commerce License Fee Updates	10,900	10,900	-	Not budgeted, to be offset by other projects	-	20,000	20,000
e-Services Application to Court e-Filing (mi-File)	-	-	-		-	-	-
Firm Administration and Billing	5,800	5,800	-		30,000	30,000	-
Unauthorized Practice of Law Portal	-	-	-		20,000	-	(20,000)
Client Protection Fund Portal	-	-	-		20,000	-	(20,000)
Website Functionality Enhancements	11,800	11,800	-		28,800	28,800	-
Volunteer Application Portal	-	-	-		2,500	2,500	-
Character & Fitness Application Module (for BLE)	5,800	5,800	-		12,000	19,000	7,000
Character & Fitness Hearings Module	-	-	-		35,500	-	(35,500)
Consumer Portal (LRS)	5,000	5,000	-		10,000	17,900	7,900
Total Information Technology:	\$ 87,000	\$ 87,000	\$ -		\$ 266,800	\$ 260,800	\$ (6,000)
Total Capital Budget:	\$ 87,000	\$ 87,000	\$ -		\$ 321,800	\$ 315,800	\$ (6,000)

State Bar of Michigan Administrative Fund
Revenues, Expenses and Net Assets
FY 2022 - Year-End Forecast
Updated March 24, 2022

	FY 2022 Year-End Forecast	FY 2022 Budget	Variance	Percentage	FY 2021 Actual
Operating Revenue					
- License Fees, Dues & Related	7,667,000	7,653,000	14,000	0.18%	7,764,197
- All Other Op Revenue	1,434,317	1,467,850	(33,533)	(2.28%)	1,409,806
Total Operating Revenue	9,101,317	9,120,850	(19,533)	(0.21%)	9,174,003
Operating Expenses					
- Labor-related Operating Expenses					
Salaries	5,422,543	5,437,140	(14,597)	(0.27%)	5,089,955
Benefits, PR Taxes, and Ret HC Exp	1,886,143	1,912,006	(25,863)	(1.35%)	1,694,812
Total Labor-related Operating Expenses	7,308,686	7,349,146	(40,460)	(0.55%)	6,784,767
- Non-labor Operating Expenses					
Legal	221,147	224,875	(3,728)	(0.35%)	128,085
Public and Bar Services	1,005,761	1,079,949	(74,188)	(32.99%)	778,523
Operations and Policy	2,436,384	2,587,570	(151,186)	(5.84%)	2,167,124
Total Non-labor Operating Expenses	3,663,292	3,892,394	(229,102)	(5.89%)	3,073,732
Total Operating Expenses	10,971,978	11,241,540	(269,562)	(2.40%)	9,858,499
Operating Income (Loss)	(1,870,661)	(2,120,690)	250,029	N/A	(684,496)
Non-operating Revenue (Expenses)					
Investment Income	45,000	33,000	12,000	36.36%	70,185
Investment Income - Ret HC Trust*	-	-	-	N/A	824,417
Loss on Disposal of Capital Assets	-	-	-	N/A	(8,793)
Net Non-operating Revenue (Expenses)	45,000	33,000	12,000	36.36%	885,809
Increase (Decrease) in Net Position	(1,825,661)	(2,087,690)	262,029	(12.55%)	201,313

Operating Revenue Forecast:

- License fees and related - Expected to be close to budget for license fees and related revenues. Late fees expected to be higher by \$15K.
- All other operating revenue - Expected to be lower than budget primarily due to lower revenues for C&F (\$20k), and LJAP (\$10k).

Labor Forecast:

- Salaries - Expected to be at the budget.

Non-labor Forecast:

Legal

- Expected to be under budget primarily due to savings in UPL and Ethics.

Public and Bar Services

- Expected to be under budget in LJAP (\$6k) due to lower travel and meeting expenses.
- Expected to be under in IT primarily due to lower telephone (\$44K) and software expenses (\$23k).

Operations and Policy

- Executive Offices & BOC - Expected to be under budget primarily in meetings and travel (\$12k and \$9k).
- Finance & Administration - Expected to be under budget (\$113k), primarily due to lower depreciation (\$94k), and staffing expenses (\$12k)
- Expected to be under budget in RA (\$8k) and Governmental Relations (\$11k) primarily due to lower meeting and travel expenses.

Non-Operating Income forecast:

- Investment Income - Expected to be higher than budget due to higher interest rates.
- Retiree Health Care Trust Investment Income was not budgeted nor forecasted.

**STATE BAR OF MICHIGAN
CLIENT PROTECTION FUND**

Unaudited and For Internal Use Only

**FINANCIAL REPORTS
February 28, 2022**

FY 2022

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

State Bar Of Michigan
Client Protection Fund
Comparative Statement of Net Assets
For the Five Months Ending February 28, 2022

	1/31/2022	2/28/2022	Increase (Decrease)	%	Beginning of FY 2022 10/1/21
Assets					
Cash-Checking	\$19,292	\$14,770	(\$4,522)	(23.4%)	\$51,336
Savings	2,219,921	2,225,049	5,128	0.2%	2,134,669
Due From SBM	5,543	1,103	(4,440)	(80.1%)	21,276
Total Assets	\$2,244,756	\$2,240,922	(\$3,835)	(0.2%)	\$2,207,281
Liabilities					
Accounts Payable	-	-	-	0.0%	\$241,237
Deferred Revenue	417,505	372,700	(44,805)	(10.7%)	131,925
Total Liabilities	417,505	372,700	(44,805)	(10.7%)	373,162
Fund Balance					
Fund Balance at Beginning of Year	1,834,119	1,834,119	-	0.0%	1,635,719
Net Income (Expense) Year to Date	(6,867)	34,103	40,970	(596.6%)	198,400
Total Fund Balance	1,827,252	1,868,222	40,970	2.2%	1,834,119
Total Liabilities and Fund Balance	\$2,244,756	\$2,240,922	(\$3,835)	(0.2%)	\$2,207,281

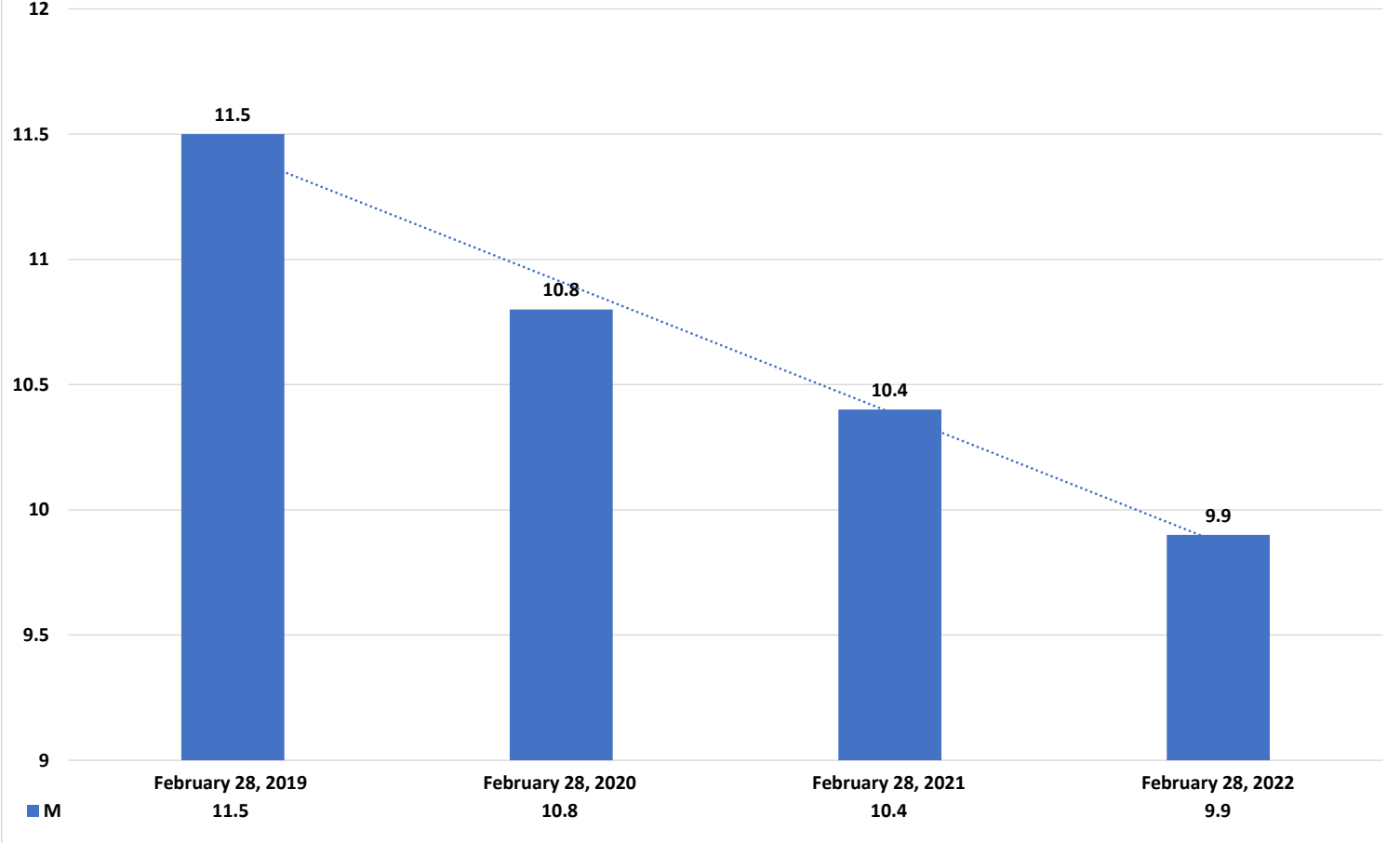
Note: As of February 28, 2022, CPF had no claims that were approved and were awaiting signed subrogation agreements.

Client Protection Fund
Statement of Revenue, Expenses, and Changes in Net Assets □
For the Five Months Ending February 28, 2022

	2022	2021 ¹⁾
	YTD	YTD
Income:		
3-7-00-000-0005 Contributions Received	1,916	4,835
3-7-00-000-0050 License Fees Assessment	266,810	261,605
3-7-00-000-0051 Pro Hac Vice Fees	4,410	5,595
3-7-00-000-0890 Claims Recovery	8,768	14,968
3-7-00-000-0891 Claims Income	-	-
Total Income	281,904	287,003
Expenses:		
3-9-00-000-0200 Claims Payment	176,690	24,093
3-9-00-000-0910 Administrative Fee	71,875	68,820
3-9-00-000-0994 Bank Service Charges	175	182
Total Expenses	248,740	272,020
3-7-00-000-0920 Interest and Dividends	938	2,465
Increase/Decrease in Net Position	34,102	17,448
3-5-00-000-1010 Fund Balance	1,834,119	1,635,718
Net Position, End of Period	1,868,221	1,653,166

¹⁾ CPF is recording claim recoveries on cash basis in FY 2022 and claim expenses as approved. FY 2021 is restated.

State Bar of Michigan Cash & Investments
Excluding Sections, Client Protection Fund and Retiree Health Care Trust
For the Five Months Ending February 28, 2022
\$9.9M



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

Summary of Cash and Investment Balances by Financial Institution

2/28/2022

Assets	Bank Rating	Financial Institution Summary	Interest Rates	Fund Summary
		SBM Chase Checking \$ 206,745.15		Client Protection Fund \$ 2,239,819
		SBM Chase Credit Card \$ 77,233.12		State Bar Admin Fund \$ 13,732,705
		SBM Chase E Checking \$ 7,405.00		(including Sections)
		SBM Chase Payroll \$ -		Attorney Discipline System \$ 5,773,828
		SBM Chase Savings \$ 30,435.32	0.05%	SBM Retiree Health Care Trust \$ 4,390,796
		ADS Chase Checking \$ 11,216.18		ADB Retiree Health Care Trust \$ 1,393,451
		ADS Chase Petty Cash \$ 4,562.15		AGC Retiree Health Care Trust \$ 4,462,373
		CPF Chase Checking \$ 14,769.83		
		CPF Chase Savings \$ 213,417.68	0.05%	
\$3.3 Trillion	5 stars	** Chase Total \$ 565,784.43		Total \$ 31,992,972
		SBM Horizon Bank Money Market \$ 10,033.19	0.15%	
\$7.3 Billion	5 stars	Horizon Bank Total w/CD \$ 1,510,033.19		
		ADS Bank of America Petty Cash \$ 3,603.00	0.00%	
\$2.5 Trillion	5 stars	Bank of America Total \$ 3,603.00		
		SBM Fifth Third Commercial Now \$ 37,832.69	0.10% *	
\$210 Billion	5 stars	Fifth Third Total \$ 37,832.69		
		Grand River Bank Money Market \$ 10,034.44	0.20%	
\$489 Million	5 stars	Grand River Bank Total w/CD \$ 999,173.59		
		Sterling Bank \$ 355.98	0.10%	
		Sterling Bank Money Market \$ 10,048.23	0.10%	
\$2.8 Billion	3.5 stars	Sterling Bank Total \$ 10,404.21		
		Citizens Bank Checking \$ -	0.00%	
\$188 Billion	5 stars	Citizens Bank Total \$ -		
		MSUCU Savings \$ 56.09	0.00%	
		MSUCU Checking \$ 7,706.73	0.00%	
		MSU Credit Union Total \$ 7,762.82		
\$6.7 Billion	5 stars	MSU Credit Union Total w/CD \$ 1,999,886.74		
		LAFUCU Savings \$ 5.00		
\$939 Million	5 stars	LAFUCU Total w/CD \$ 999,995.00		
		CASE Cr Un \$ 6.00		
		CASE Cr Un Total w/CD \$ 1,000,006.00		
		SBM Flagstar ICS Checking \$ 3,146,663.90	0.10%	
		ADS Flagstar ICS Checking Account \$ 5,465,738.08	0.10%	
		CPF Flagstar ICS Checking \$ 2,011,631.23	0.10%	
		Flagstar Bank FDIC Insured \$ 10,624,033.21		

State Bar Admin Fund Summary	
Cash and Investments	\$ 13,732,705
Less:	
Due (to)/from Sections	\$ (3,871,421)
Due (to)/from CPF	\$ (1,103)
Due to Sections and CPF	<u>\$ (3,872,524)</u>
Net Administrative Fund	\$ 9,860,181
SBM Average Weighted Yield:	0.32%
ADS Average Weighted Yield:	0.10%
CPF Average Weighted Yield:	0.09%

Notes:

- Average weighted yields exclude retiree health care trusts
- All amounts are based on reconciled book balance and interest rates as of 02/28/2022
- CDARS when used 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 75% equity securities, 23% in bonds and 2% in money market funds
- As of 02/28/2022, the funds held by SBM attributable to ADS were \$288,708.97
- Bank Star rating from Bauer Financial.
- Lockbox fees are offset by 0.10% (annual rate) on average ADS monthly balance (*)
- Actual unreconciled Chase balance per statements was \$582,815.51 (**)

Assets	Bank Rating	Financial Institution Summary	Interest Rates	Maturity	
\$25 Billion	5 stars	SBM Flagstar Savings	\$ 2,999,940.87	0.15%	n/a
			\$ 2,999,940.87		
\$489 Million	5 stars	SBM - Grand River Bank	\$ 253,527.69	0.55%	05/11/22
		SBM - Grand River Bank	\$ 245,611.46	0.50%	04/18/22
		SBM - Grand River Bank	\$ 245,000.00	0.60%	09/29/22
		SBM - Grand River Bank	\$ 245,000.00	0.60%	09/29/22
\$3.3 Billion	3.5 stars	SBM-CD First National Bank of America	\$ 245,659.68	0.65%	10/12/22
		SBM-CD First National Bank of America	\$ 250,000.00	0.65%	10/16/22
		SBM-CD First National Bank of America	\$ 250,000.00	0.65%	10/16/22
		SBM-CD First National Bank of America	\$ 250,000.00	0.65%	10/16/22
\$6.7 Billion	5 stars	SBM-CD MSU Credit Union	\$ 250,530.98	0.60%	10/28/22
		SBM-CD MSU Credit Union	\$ 250,530.98	0.60%	10/28/22
		SBM-CD MSU Credit Union	\$ 250,530.98	0.60%	10/28/22
		SBM-CD MSU Credit Union	\$ 250,530.98	0.60%	10/28/22
		SBM-CD MSU Credit Union	\$ 250,000.00	0.60%	11/21/22
		SBM-CD MSU Credit Union	\$ 250,000.00	0.60%	11/21/22
		SBM-CD MSU Credit Union	\$ 250,000.00	0.60%	11/21/22
		SBM-CD MSU Credit Union	\$ 240,000.00	0.50%	11/21/22
\$939 Million	5 stars	SBM - CD LAFUCU	\$ 250,000.00	0.70%	04/23/22
		SBM - CD LAFUCU	\$ 250,000.00	0.70%	04/23/22
		SBM - CD LAFUCU	\$ 250,000.00	0.70%	05/07/22
		SBM - CD LAFUCU	\$ 249,990.00	0.70%	05/07/22
\$385 Million	5 stars	SBM - Case Credit Union	\$ 250,000.00	0.40%	07/01/22
		SBM - Case Credit Union	\$ 250,000.00	0.40%	07/01/22
		SBM - Case Credit Union	\$ 250,000.00	0.40%	07/01/22
		SBM - Case Credit Union	\$ 250,000.00	0.40%	07/01/22
\$7.3 Billion	5 stars	Horizon Bank	\$ 250,000.00	0.57%	8/9/2022
		Horizon Bank	\$ 250,000.00	0.57%	8/9/2022
		Horizon Bank	\$ 250,000.00	0.57%	8/9/2022
		Horizon Bank	\$ 250,000.00	0.57%	8/9/2022
		Horizon Bank	\$ 250,000.00	0.67%	8/18/2022
		Horizon Bank	\$ 250,000.00	0.67%	8/18/2022
		Bank CD Totals	\$ 7,476,912.75		
Total Cash & Investments (excluding Schwab)			\$ 21,746,352.61		
		SBM - Charles Schwab (Ret HC Trust)	\$ 4,390,795.85		Mutual Funds
		ADB - Charles Schwab (Ret HC Trust)	\$ 1,393,450.65		Mutual Funds
		AGC - Charles Schwab (Ret HC Trust)	\$ 4,462,373.27		Mutual Funds
		Charles Schwab Totals	\$ 10,246,619.77		
Grand Total (including Schwab)			\$ 31,992,972.38		
Total amount of cash and investments (excluding Schwab) not FDIC insured			\$ 7,810,446.31	35.92%	

Assets & Ratings updated 3/7/2022

Monthly SBM Attorney and Affiliate Report - February 28, 2022

FY 2022

	September 30 2014	September 30 2015	September 30 2016	September 30 2017	September 30 2018	September 30 2019	September 30 2020	September 30 2021	February 28 2022	FY Increase (Decrease)
Attorneys and Affiliates In Good Standing										
Active	41,093	41,608	41,921	42,100	42,342	42,506	42,401	42,393	42,012	(381)
Less than 50 yrs serv	40,036	40,490	40,725	40,833	40,973	41,036	40,559	40,504	40,273	(231)
50 yrs or greater	1,057	1,118	1,196	1,267	1,369	1,470	1,842	1,889	1,739	(150)
Voluntary Inactive	1,211	1,218	1,250	1,243	1,169	1,139	1,192	1,097	1,056	(41)
Less than 50 yrs serv	1,184	1,195	1,230	1,217	1,142	1,105	1,149	1,055	1,017	(38)
50 yrs or greater	27	23	20	26	27	34	43	42	39	(3)
Emeritus	1,552	1,678	1,841	1,973	2,204	2,447	2,727	3,033	3,285	252
Total Attorneys in Good Standing	43,856	44,504	45,012	45,316	45,715	46,092	46,320	46,523	46,353	(170)
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	41,559	41,290	(269)
Affiliates										
Legal Administrators	14	13	13	13	10	10	8	5	5	-
Legal Assistants	413	425	405	400	401	393	317	219	242	23
Total Affiliates in Good Standing	427	438	418	413	411	403	325	224	247	23
Total Attorneys and Former Attorneys in the Database										
State Bar of Michigan Attorney and Affiliate Type										
	September 30 2014	September 30 2015	September 30 2016	September 30 2017	September 30 2018	September 30 2019	September 30 2020	September 30 2021	February 28 2022	FY Increase (Decrease)
Attorneys in Good Standing:										
ATA (Active)	41,093	41,608	41,921	42,100	42,342	42,506	42,401	42,393	42,012	(381)
ATVI (Voluntary Inactive)	1,211	1,218	1,250	1,243	1,169	1,139	1,192	1,097	1,056	(41)
ATE (Emeritus)	1,552	1,678	1,841	1,973	2,204	2,447	2,727	3,033	3,285	252
Total Attorneys in Good Standing	43,856	44,504	45,012	45,316	45,715	46,092	46,320	46,523	46,353	(170)
Attorneys Not in Good Standing:										
ATN (Suspended for Non-Payment of Dues)	5,427	5,578	5,743	5,888	6,072	6,246	6,416	6,472	6,854	382
ATDS (Discipline Suspension - Active)	407	415	418	430	439	440	445	449	453	4
ATDI (Discipline Suspension - Inactive)	12	11	18	19	19	24	25	25	25	-
ATDC (Discipline Suspension - Non-Payment of Court Costs)	1	3	3	16	15	16	16	14	14	-
ATNS (Discipline Suspension - Non-Payment of Other Costs)	83	92	99	94	95	98	100	102	104	2
ATS (Attorney Suspension - Other)*	1	1	1	-	1	1	2	-	-	-
ATR (Revoked)	521	517	534	562	583	596	613	623	628	5
ATU (Status Unknown - Last known status was inactive)**	2,088	2,076	2,074	2,070	2,070	2,070	2,070	2,070	2,070	-
Total Attorneys Not in Good Standing	8,540	8,693	8,890	9,079	9,294	9,491	9,687	9,755	10,148	393
Other:										
ATSC (Former special certificate)	136	140	145	152	155	157	158	164	163	(1)
ATW (Resigned)	1,429	1,483	1,539	1,612	1,689	1,798	1,907	2,036	2,120	84
ATX (Deceased)	8,127	8,445	8,720	9,042	9,287	9,524	9,793	10,260	10,491	231
Total Other	9,692	10,068	10,404	10,806	11,131	11,479	11,858	12,460	12,774	314
Total Attorneys in Database	62,088	63,265	64,306	65,201	66,140	67,062	67,865	68,738	69,275	537

* 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 February 28, 2022 a total of 537 new attorneys joined SBM.



MEMORANDUM

TO: Board of Commissioners
Peter Cunningham, Executive Director

FROM: Trustees of the SBM Retiree Health Premium Trust

DATE: March 30, 2022

RE: **2021 Annual Report of the SBM Retiree Health Premium Trust**

Pursuant to Paragraph 10 of the Amended and Restated State Bar of Michigan Retiree Health Premium Trust Agreement (Trust), dated November 17, 2008, the trustees submit this report and supporting documentation for calendar year 2021.

Overview

The State Bar of Michigan (SBM) established the Trust to fund post-retirement health benefits for certain employees and former employees who previously qualified for such post-retirement benefits through the State of Michigan's State Employees' Retirement System. Pursuant to the Investment Policy, the funds in the Trust are invested to provide for the future needs of the retiree health care obligations, while maintaining reasonable security of the funds. The primary investment objectives of the fund are: (1) return on investment; (2) diversification and safety; and (3) liquidity to meet operating requirements. To achieve these objectives, the funds are required to have an asset allocation of at least 60% equity and the remainder in fixed income funds.

Financial Management

Brian Hamel, Schwab Private Client Advisor, serves as an investment advisor to the trust since March 2020.

Financial Performance

In calendar year 2021, ending on December 31, 2021, Trust assets increased from \$4,383,619 to \$4,823,660. The change in account value of \$440,041 was a result of increase in the value of assets of \$142,143, dividends and interest of \$260,819, SBM contribution of \$57,331 and payment of investment advisor fees of \$20,252. The net return on the investment was 8.7%. The Trust did not sell or otherwise dispose of any assets, and the Trust did not make any distributions in 2021. In the same period, in lieu of actuarially determined contribution to the trust, SBM made direct payments for retiree insurance premiums in the amount of \$176,097.

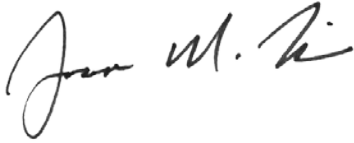
The trust brokerage statement for the period ending December 31, 2021 and the 2021 annual performance report are included with this report.

Trust Management

In FY 2021, ending on September 30, 2021, Joseph McGill, Kathryn Hennessey, and Tatiana Goodkin served as trustees of the Trust. In FY 2022, ending on September 30, 2022, Lisa Hamameh, Kathryn Hennessey, and Tatiana Goodkin served as trustees of the Trust.

The Trustees met twice times in calendar year 2021 to review investment performance and handle other administrative matters.

Please direct all inquiries to Tatiana Goodkin at (517) 346-6324 or tgoodkin@michbar.org.



Joseph P. McGill, Trustee (FY 2021)



Lisa J. Hamameh, Trustee (FY 2022)



Tatiana Goodkin, Trustee (FY 2021/FY 2022)

Attachments:

SBM Retiree Healthcare Trust Brokerage Statement December 31, 2021

2021 Schwab Performance Report

TO: Board of Commissioners
FROM: Professional Standards Committee
DATE: April 8, 2022, BOC Meeting
RE: Client Protection Fund Claims for Consent Agenda

Rule 15 of the Client Protection Fund Rules provides that “claims, proceedings and reports involving claims for reimbursement are confidential until the Board authorizes reimbursement to the claimant.” To protect CPF claim information as required in the Rule, and to avoid negative publicity about a lawyer subject to a claim, which has been denied and appealed, the CPF Report to the Board of Commissioners is designated “confidential.”

**CONSENT AGENDA
 CLIENT PROTECTION FUND**

Claims recommended for payment:

Consent Agenda

	<u>Claim No.</u>	<u>Amt. Recommended</u>
1.	CPF 3724	\$500.00
2.	CPF 3737	\$2,085.00
3.	CPF 3742	\$800.00
4.	CPF 3752	\$1,500.00
	TOTAL	\$4,885.00

The Professional Standards Committee recommends payment of these claims by the State Bar of Michigan Client Protection Fund:

1. CPF 3724 \$500.00

Respondent was retained to defend Claimant in a drunk driving matter for \$1,500. Claimant made a partial payment of \$500. Respondent met with Claimant, telephoned Claimant twice, and drafted and signed an Appearance that was never filed. Respondent did not attend any of the four scheduled hearings or complete any legal services of value before abandoning the matter. Respondent's failure to return the unearned fee constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C)(1) and 9(C)(6).

2. CPF 3737 \$2085.00

Claimant and spouse retained Respondent to represent them after being assaulted by an ambulance driver. Suit was filed on behalf of both Claimant and spouse. All of Claimant's claims were dismissed, however, without Claimant or Claimant's spouse knowledge or consent, Respondent settled Claimant's spouse's claims, forging Claimant's spouse's signature on the settlement release, and misappropriating \$3,650 in settlement proceeds. After a disciplinary investigation was commenced, Respondent remitted \$1,565 to Claimant's spouse claiming the remaining \$2,085 as attorney fees and costs.

CPF Policy allows for the waiver of attorney fees if it is determined that Respondent settled the matter without the client's permission; failed to inform Claimant's spouse of the settlement, and absconded with the settlement proceeds. The facts of this claim support the waiving of attorney fees under this policy. This claim is recommended from reimbursement under CPF Rules 9(C)(1), 9(C)(3), and 11(B), and CPF Policy.

3. CPF 3742 \$800.00

Claimant retained Respondent in a bankruptcy matter for a fee of \$1,500, which Claimant paid. Respondent filed Claimant's bankruptcy petition and attended the Creditor's Meeting. However, three of Respondent's filings either had missing documents or were deficient. Respondent then charged Claimant an additional \$800 to correct Respondent's own errors and omissions, which claimant paid.

The Attorney Discipline Board (ADB), in suspending Respondent's license to practice law, found that Respondent handled a legal matter without preparation adequate in the circumstances, failed to act with reasonable diligence, and charged a clearly excessive fee. The ADB ordered Respondent to return the \$2,300 in attorney fees paid. CPF Policy allows does not support waiving of the initial \$1,500 in attorney fees.

Based on the ADB's findings, the restitution order, the fee arrangement between the parties, and the services provided; the \$800 in additional fees charged is unreasonable and a reimbursable loss under the factors in MRPC 1.5 and the State Bar of Michigan Ethics Opinions regarding attorney's fees.

4. CPF 3752 \$1,500.00

Respondent was retained to represent Claimant in seeking a pardon from the Governor for \$1,500. Respondent did not provide any legal service or return the fee. Respondent's failure to return the unearned fee constitutes dishonest conduct and is a reimbursable loss as provided by CPF Rules 9(C)(1) and 9(D)(6).

Total payments recommended: \$4,885.00



**FROM THE COMMITTEE
ON MODEL CRIMINAL
JURY INSTRUCTIONS**

The Committee on Model Criminal Jury Instructions solicits comment on the following proposal by May 1, 2022. Comments may be sent in writing to Samuel R. Smith, Reporter, Committee on Model Criminal Jury Instructions, Michigan Hall of Justice, P.O. Box 30052, Lansing, MI 48909-7604, or electronically to MCrimJI@courts.mi.gov.

PROPOSED

The Committee proposes a new instruction, M Crim JI 8.2, for aiding and abetting the crime of possession of a firearm at the time of committing a felony (aiding and abetting felony-firearm) because the primary aiding and abetting instruction, M Crim JI 8.1, is difficult to adapt in order to make it clear that simply aiding and abetting the underlying felony offense is insufficient to establish aiding and abetting the crime of felony-firearm. See *People v Moore*, 470 Mich 56 (2004). This instruction is entirely new.

[NEW] M Crim JI 8.2 Aiding and Abetting Felony Firearm

- (1) In this case, the defendant is charged with committing the offense of possessing a firearm during the commission or attempted commission of a felony or intentionally assisting someone else in committing that offense.
- (2) Anyone who intentionally assists someone else in committing a crime is as guilty as the person who directly commits it and can be convicted of that crime as an aider and abettor.
- (3) To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:
 - (a) First, that the crime of possessing a firearm during the commission of a felony or attempted commission of a felony was actually committed, either by the defendant or someone else. It does not matter whether anyone else has been convicted of the crime.

(b) Second, that before or while the crime of possessing a firearm when committing or attempting to commit a felony was being committed, the defendant did something to assist in carrying, using, or possessing the firearm. It is not enough to find that the defendant did something to assist in the commission of the underlying crime. By words, acts, or deeds, the defendant must have procured, counseled, aided, or abetted another person to carry, use, or possess a firearm during the commission or attempted commission of a felony.

(c) Third, at that time the defendant must have intended that a firearm be carried, used, or possessed by another during the commission or attempted commission of a felony.

**Public Policy Position
M Crim JI 8.2**

Support

Explanation:

The committee voted to support M Crim JI 8.2 as drafted.

Position Vote:

Voted For position: 13

Voted against position: 0

Abstained from vote: 0

Did not vote (absence): 11

Contact Persons:

Mark A. Holsomback mahols@kalcounty.com

Sofia V. Nelson snelson@sado.org



**FROM THE COMMITTEE
ON MODEL CRIMINAL
JURY INSTRUCTIONS**

The Committee on Model Criminal Jury Instructions solicits comment on the following proposal by May 1, 2022. Comments may be sent in writing to Samuel R. Smith, Reporter, Committee on Model Criminal Jury Instructions, Michigan Hall of Justice, P.O. Box 30052, Lansing, MI 48909-7604, or electronically to MCrimJI@courts.mi.gov.

PROPOSED

The Committee proposes to amend jury instructions M Crim JI 13.6a (first-degree fleeing and eluding), M Crim JI 13.6b (second-degree fleeing and eluding), M Crim JI 13.6c (third-degree fleeing and eluding), and M Crim JI 13.6d (fourth-degree fleeing and eluding) to comport with the wording of an amendment to MCL 750.479a. Further, requirements that the prosecutor prove prior offenses for second- and third-degree fleeing and eluding are proposed to be eliminated. See *Apprendi v New Jersey*, 530 US 466, 490; 120 S Ct 2348; 147 L Ed 2d 435 (2000). Deletions are in strike-through, and new language is underlined.

[AMENDED] M Crim JI 13.6a Fleeing and Eluding in the First Degree

- (1) The defendant is charged with the crime of fleeing and eluding in the first degree. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:
- (2) First, that a [police / conservation] officer was in uniform and was performing [his / her] lawful duties [and that any vehicle driven by the officer was ~~adequately marked~~ identified as a law enforcement vehicle].
- (3) Second, that the defendant was driving a motor vehicle.
- (4) Third, that the officer ordered that the defendant stop [his / her] vehicle.
- (5) Fourth, that the defendant knew of the order.

(6) Fifth, that the defendant refused to obey the order by trying to flee or avoid being caught.

(7) Sixth, that the violation resulted in the death of another individual.

[AMENDED] M Crim JI 13.6b Fleeing and Eluding in the Second Degree

(1) The defendant is charged with the crime of fleeing and eluding in the second degree. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that a [police / conservation] officer was in uniform and was performing [his / her] lawful duties [and that any vehicle driven by the officer was ~~adequately marked~~ identified as a law enforcement vehicle].

(3) Second, that the defendant was driving a motor vehicle.

(4) Third, that the officer ordered that the defendant stop [his / her] vehicle.

(5) Fourth, that the defendant knew of the order.

(6) Fifth, that the defendant refused to obey the order by trying to flee or avoid being caught.

[Choose one or more of the following alternatives:]

(7) Sixth, that the violation resulted in serious impairment of a body function* to an individual.

or

~~(8) Sixth, that the defendant has one or more prior convictions for first-, second-, or third-degree fleeing and eluding; attempted first-, second-, or third-degree fleeing and eluding; or fleeing and eluding under a current or former law of this state prohibiting substantially similar conduct.~~

or

~~(9) Sixth, that the defendant has any combination of two or more prior convictions for fourth-degree fleeing and eluding, attempted fourth-degree fleeing and eluding, or fleeing and eluding under a current or former law of this state prohibiting substantially similar conduct.~~

Use Note

*The statute, MCL 750.479a(9), incorporates the statutory definition of “serious impairment of body function” found at MCL 257.58c: “Serious impairment of a body function” includes, but is not limited to, 1 or more of the following:

- (a) Loss of a limb or loss of use of a limb.
- (b) Loss of a foot, hand, finger, or thumb or loss of use of a foot, hand, finger, or thumb.
- (c) Loss of an eye or ear or loss of use of an eye or ear.
- (d) Loss or substantial impairment of a bodily function.
- (e) Serious visible disfigurement.
- (f) A comatose state that lasts for more than 3 days.
- (g) Measurable brain or mental impairment.
- (h) A skull fracture or other serious bone fracture.
- (i) Subdural hemorrhage or subdural hematoma.
- (j) Loss of an organ.

[AMENDED] M Crim JI 13.6c Fleeing and Eluding in the Third Degree

(1) The defendant is charged with the crime of fleeing and eluding in the third degree. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that a [police / conservation] officer was in uniform and was performing [his / her] lawful duties [and that any vehicle driven by the officer was ~~adequately marked~~ identified as a law enforcement vehicle].

(3) Second, that the defendant was driving a motor vehicle.

(4) Third, that the officer ordered that the defendant stop [his / her] vehicle.

(5) Fourth, that the defendant knew of the order.

(6) Fifth, that the defendant refused to obey the order by trying to flee or avoid being caught.

[Choose one or ~~more~~ both of the following alternatives:]

(7) Sixth, that the violation resulted in a collision or accident.

or

~~[(7) / (8)]~~ [Sixth / Seventh], some portion of the violation took place in an area where the speed limit was 35 miles per hour or less [whether as posted or as a matter of law].

or

~~(9) Sixth, that the defendant has a prior conviction for fleeing and eluding in the fourth degree, attempted fleeing and eluding in the fourth degree, or fleeing and eluding under a current or former law of this state prohibiting substantially similar conduct.~~

[AMENDED] M Crim JI 13.6d Fleeing and Eluding in the Fourth Degree

(1) The defendant is charged with the crime of fleeing and eluding in the fourth degree. To prove this charge, the prosecutor must prove each of the following elements beyond a reasonable doubt:

(2) First, that a [police / conservation] officer was in uniform and was performing [his / her] lawful duties [and that any vehicle driven by the officer was ~~adequately marked~~ identified as a law enforcement vehicle].

(3) Second, that the defendant was driving a motor vehicle.

(4) Third, that the officer ordered that the defendant stop [his / her] vehicle.

(5) Fourth, that the defendant knew of the order.

(6) Fifth, that the defendant refused to obey the order by trying to flee or avoid being caught.

**Public Policy Position
M Crim JI 13.6a, 13.6b, 13.6c, and 13.6d**

Support

Explanation:

The committee voted to support M Crim JI 13.6a – 13.6d as drafted.

Position Vote:

Voted For position: 15

Voted against position: 0

Abstained from vote: 0

Did not vote (absence): 9

Contact Persons:

Mark A. Holsomback mahols@kalcounty.com

Sofia V. Nelson snelson@sado.org

State Bar of Michigan Board of Commissioners
2022 Timeline for Officer Elections

April 8, 2022	Distribution of materials regarding Timeline, Procedure, and Matrix
June 7, 2022	Letters of Intent and completed Matrix due to State Bar President and Executive Director
July 15, 2022	Board book sent to Commissioners that will include the Letters of Intent and Matrices of SBM Officer Candidates
July 22, 2022	Candidate Forum (5 minutes to address Board and (BOC Meeting) 15 minutes total Q & A Election of Officers

Memo

To: Board of Commissioners
From: Officer Election Committee (Bruce Courtade, Chair; Kim Cahill; Francine Cullari; Michael Hohausser; Tony Jenkins; Craig Lubben; Angelique Strong Marks; Debra Walling)
cc: President Tom Cranmer, Janet Welch
Date: June 2006
Re: **RECOMMENDED ELECTION PROCEDURES FOR 2006 AND BEYOND**

The Officer Election Committee (“the Committee”) was initially asked to consider whether, in light of a proposal from the President’s Advisory Council (“the Council”), the rules concerning the election of State Bar officers should be amended. After studying the “Supreme Court Rules Concerning the State Bar of Michigan” (“the Rules”), the Bylaws of the State Bar of Michigan (“the Bylaws”)¹, and discussing their own personal views of and frustrations with the existing process, the Committee recommended that the rules governing elections not be changed, but that the Board of Commissioners (“the Board”) should consider certain procedural and educational changes to add some transparency to the process by which new generations of SBM Officers are selected, and specifically rejected the idea of extending the term limits of the Board or of the “grandfathering” of Officers beyond the level set forth in the existing Rules.

The Committee’s Report was submitted on April 4, 2006, and unanimously adopted by the Board of Commissioners at its April 7 meeting. Thereafter, the Committee was charged with developing recommendations to the Board of specific procedural and educational changes to the election process that would address those concerns raised in the Committee’s April 4, 2006 Report.

Summary of Recommendations

The Committee believes that the Board should adopt three changes to the current system of nominating and electing State Bar officers. Because the Committee does not believe that there is adequate time to implement all of the proposed changes before this year’s elections. Therefore, we propose a “phase-in” as set forth more fully below.

1. All non-incumbent officers who are seeking election to “the Chairs” must submit a letter of interest to the Executive Director and President of the State Bar by a set date each year. After 2006, this deadline will be 45 days before the July Board meeting. However, for this year, letters of interest must be submitted by June 28, 2006 (30 days before the elections at the July 28 Board meeting). Requirements for the letter of interest are set forth more fully below. These letters of interest, along with any attachments thereto and the matrices described in the third recommendation, below, must be submitted to the Board along with the Agenda and meeting materials that are sent to the Board before the meeting in which the elections are held each year.

¹ A copy of relevant sections of the Rules and Bylaws is attached as Exhibit #1.

2. A “candidates’ forum” should take place at the Board meeting in which elections are held each year. The Committee recommends that each candidate be given up to 5 minutes to present his or her qualifications for election. After each of the candidates has spoken, the Committee recommends that a “question and answer” session of at least 15 minutes’ duration be held, with each candidate allowed not more than one minute to answer each question presented by those in attendance at the meeting. This should be implemented beginning in July 2006.
3. For elections beginning in 2007, the Committee, with Staff input, intends to develop a matrix that all non-incumbent candidates for office must fill out and submit along with their letters of interest. The matrix will focus on issues such as: length of service on the Board; prior Board experience (i.e., leadership roles or projects undertaken for the Bar); attendance at Board and committee meetings; etc. The matrices for all candidates shall be submitted to the Board at or before the meeting in which the officer elections take place.

The Committee believes that these procedural rules may be adopted by the Board without need for amending the Bylaws.

Discussion

The Committee met via teleconference after the last Board meeting. A number of suggestions for how to make the election process more transparent and meaningful were discussed. One suggestion that had been raised in the initial Committee Report (the use of a nominating committee) was discussed at length. After considering the benefits and disadvantages of that option, the Committee decided not to recommend the adoption of a nominating committee at this time. Rather, the Committee believes that the proposals set forth below all would have a more positive impact than use of a nominating committee process, and are less fraught with potential risks experienced by many groups that use a nominating committee.

Therefore, the Committee decided to recommend the adoption of three specific changes to the manner in which officer elections are handled, and to wait to see whether those proposals sufficiently address the issues raised in the Committee’s prior Report. If necessary, the issue of using a nominating committee can be re-evaluated if it is determined that the proposals set forth below have failed to adequately address Board concerns about the election process.

1. Recommendation #1: Letters of Interest.

One of the issues raised by the Board and in the Committee meetings was the impression that the current election process gives the impression that the officer elections are a *fait accompli* after *sub rosa* discussions eliminate candidates who might be interested, leaving a single candidate about whose qualifications many voting Board members may know little or nothing.² The Committee believes that this issue can be easily remedied by requiring all persons interesting in seeking office to submit a simple letter of interest identifying the office to which they seek election and highlighting their abilities, background and experience that they feel qualify them for that role within the organization.

² This Report’s drafter apologizes to the Plain English Committee for a wordy sentence involving two italicized foreign terms.

a. Letters of Interest for Election as Treasurer.

Therefore, the Committee recommends adoption of a rule or policy that all non-incumbent officers who are seeking election to office of State Bar Treasurer (and therefore entry into “the Chairs”) must submit a letter of interest to the Executive Director and President of the State Bar by a set date each year. After 2006, this deadline will be 45 days before the July Board meeting. However, for this year, letters of interest must be submitted by June 28, 2006 (30 days before the elections at the July 28 Board meeting). Requirements for the letter of interest are set forth more fully below. These letters of interest, along with any attachments thereto and the matrices described in the third recommendation, below, must be submitted to the Board along with the Agenda and meeting materials that are sent to the Board before the meeting in which the elections are held each year.

b. Letters of Interest by Incumbent Officers for Positions Other than Treasurer.

The Committee is aware that, over time, an informal but widely-acknowledged pattern has led to a *de facto* practice that a Commissioner who is elected Treasurer generally embarks on a six-year procession through “the Chairs” culminating with his or her year as president.³ Therefore, under most circumstances, incumbent officers seeking to ascend to the next level of “the chairs” will not need to submit a letter of interest for that position: absent an expression of interest to the contrary, officers will be presumed to seek elevation to the next level of “the Chairs.”

However, under the Rules, the only officers who automatically ascend “the Chairs” without standing for election to the next level each year are the vice-president and president-elect. Therefore, it is possible that a sitting secretary or treasurer might either decide not to seek elevation in the chairs during a given year, or face a challenge from a Board member who is not an officer. Theoretically, a sitting treasurer could also opt to bypass his or her year as secretary and run for the office of vice-president.

Thus, the Committee recommends that if any candidate, in compliance with the 45-day deadline set forth above,⁴ submits a letter of interest seeking election to a position in “the Chairs” other than as Treasurer and/or outside of the normal six-year progression, the President shall notify the incumbent officer who would normally be seeking elevation to the now-contested seat in writing of the possibility of a disputed election. That incumbent officer must then prepare and submit to the SBM’s Executive Director and President his or her own letter of interest⁵ by not later than 30 days before the SBM meeting at which the election is to be held. (For 2006, the deadline for submitting an incumbent officer’s letter of interest will be July 15).

c. Minimal Requirements for Letters of Interest.

Each potential candidate is responsible for including in his or her information that he or she believes is sufficient to convince other Board members that the candidate is qualified to serve in whatever office he or she seeks. However, *at a minimum*, the letters of interest should include the following information:

- The office sought;
- A summary of the candidate’s history on the Board of Commissioners;

³ Year One: Stand for election as Treasurer
Year Two: Serve as Treasurer; seek election as Secretary
Year Three: Serve as Secretary; seek election as Vice President
Year Four: Serve as Vice President
Year Five: At conclusion of Vice President, ascend to President-Elect
Year Six: Serve as SBM President

⁴ June 28, 2006 for the 2006 elections.

⁵ And, for elections occurring after 2006, a Qualifications Matrix as discussed below.

- A discussion of the candidate's attendance at and participation in Board and Committee meetings;
- A summary of the candidate's service to the State Bar and (if applicable) local bar associations;
- An overview of the candidate's non-Bar-related experience of community service; and
- A statement, not exceeding 250 words, of why the candidate wants to attain the position for which he or she is seeking election, and what unique ideas or thoughts the candidate has for ways in which to improve the SBM.

All candidates must also include a copy of their résumé or curriculum vitae with their letter of interest.

d. Presentation of Letters of Interest to the Board.

The candidates' letters of interest, along with any attachments thereto and the matrices described below, must be submitted to the Board along with the Agenda and meeting materials that are sent to the Board before the meeting in which the elections are held each year.

2. Recommendation #2: Candidates' Forum.

In addition to general comments regarding the lack of knowledge of which Board members might be interested in running for office, the Committee heard and received comments from several people suggesting frustration with the lack of opportunity to talk to the candidates about the strengths that they would bring to office if elected. We believe that this concern could be easily ameliorated by having all candidates for contested elections participate in a "Candidates' Forum" held as part of the Board meeting at which elections are held (including meetings at which elections are held to fill vacancies in SBM offices that occur outside the normal election cycle).

The Committee recommends that each candidate for each contested election be given up to 5 minutes to present his or her qualifications for election. After each of the candidates has spoken, the Committee recommends that a "question and answer" session of at least 15 minutes' duration be held, with each candidate allowed not more than one minute to answer each question presented by those in attendance at the meeting. This should be implemented beginning in July 2006.

3. Recommendation #3: Qualifications Matrix.

Another method of assuring that the Board has adequate and useful information concerning the candidates' qualifications and abilities would be the use of a matrix to provide an objective overview of data regarding their past experience. The Committee discussed at length what kinds of information should be included in any such matrix. Among the suggestions were:

- Law School and date of graduation;
- Year of admission to Michigan Bar;
- Primary areas of practice;
- Past Bar service (state and local);
- Board of Commissioners' experience:
 - Year first elected or appointed;
 - Number of terms on the Board; and
 - Board Committees.
- Attendance at Board meetings during last three years;
- Non-Board, non-Bar volunteer experience.

Once completed by each candidate, the matrix must be submitted to the SBM President and Executive Director along with the letter of interest discussed above. The Executive Director shall then

delegate to appropriate staff the duty to verify that the information regarding Board attendance and experience is correct.

The Committee did not have time to develop a matrix before the 2006 SBM Officer elections. However, for elections beginning in 2007, the Committee, with Staff input, intends to develop a matrix that all non-incumbent candidates for office must fill out and submit along with their letters of interest. The matrix will focus on issues such as: length of service on the Board; prior Board experience (i.e., leadership roles or projects undertaken for the Bar); attendance at Board and committee meetings; etc. The matrices for all candidates shall be submitted to the Board at or before the meeting in which the officer elections take place.

4. The Committee's Proposals Do Not Appear To Require Changes To The Supreme Court Rules Or To The State Bar's Bylaws.

Other than the previously-discussed prohibition on a Secretary or Treasurer serving more than three consecutive terms found in §8 and §11's term limits, the SBM Bylaws are silent regarding the procedure for electing officers. Similarly, the Supreme Court Rules Governing the State Bar of Michigan offer no guidance as to the mechanics of how to elect officers.⁶

In the absence of any Supreme Court Rule on point, the Committee believes that the Board is given the authority, pursuant to Rule 5, to adopt the proposals suggested herein. That Rule provides, in pertinent part:

Section 1 – Powers, Functions, and Duties.

(a) The Board of Commissioners shall

* * *

(6) receive and review committee and section reports and recommendations proposing action by the board and take interim or final action that the board finds feasible, in the public interest, and germane to the functions and purposes of the State Bar; ...

The Committee proposals are in the public interest and germane to the functions of the State Bar. The public interest is promoted by assuring that State Bar officers, who bear more responsibility for the day-to-day and long-term operations of the Bar than any other members of the Board, are chosen in a manner that reflects openness and learned decision-making. Assuring that members of the Board who are asked to select the officers are well-informed as to their character and abilities likewise has a direct and substantial influence on the functions and purposes of the Bar.

CONCLUSION

The Committee's proposals offer simple but effective tools to address the concerns that Board members do not know enough about the election process or the individuals who seek election to "the Chairs." The Committee therefore requests that the Board adopt and implement the Proposals in accordance with the timelines set forth above.

⁶ Rule 7 provides, in part, that the Board shall elect certain officers, states when they must be elected, and explains that officer vacancies shall be filled by an election of the Board. However, the Rule provides no specific requirement regarding how the elections are to be carried out.

STATE BAR OF MICHIGAN OFFICER CANDIDATE FORM

(TO BE COMPLETED BY CANDIDATE – PLEASE ATTACH EXTRA SHEETS IF NECESSARY TO COMPLETE YOUR RESPONSES)

NAME			
OFFICE SOUGHT			
EMPLOYER			
TITLE & PRIMARY PRACTICE AREA			
SECTION 1: Educational Background			
1. Undergraduate school(s)			
2. Years of attendance or graduation			
3. Degree(s)			
4. Law School			
5. Year of Graduation			
SECTION 2: Bar Admission			
1. State(s) admitted to practice; year of admission for each			
SECTION 3: State Bar of Michigan Activities			
Board of Commissioners			
1. Year First Elected/Appointed			
2. Years served (i.e., 2000 – 2003)			
3. Leadership activities (year) <u>Example:</u> Treasurer (2006-2007)			
4. Date current term expires			
5. Eligible for Re-Election?			
Representative Assembly			
1. Year First Elected/Appointed			
2. Years served (i.e., 2000 – 2003)			
3. Leadership activities (year) <u>Example:</u> Clerk (2006-2007)			
Sections/Committees			
1. What Sections or Committees of the State Bar of Michigan do you belong to?			
2. Please describe briefly any leadership roles you have filled on these Sections or committees			

Name: _____

Candidate for: _____

SECTION 4: Other Bar Activities	
1. To which national, local or affinity bar associations do you belong? (For each, please state the date on which you became a member).	
2. What leadership roles have you performed for each?	
SECTION 5: Non-Bar Activities	
1. On what other for-profit or non-profit Boards, groups or organizations have you served? (For each, please state the date on which you became a member).	
2. Please describe briefly any leadership roles you have filled on these Boards.	
SECTION 6: Other Achievements of Note	
SECTION 7: Publications	
1. Have you written any articles, commentaries, or books that have been published? If so,	
2. Provide titles, publishers and dates of publication for each such published piece.	

ACKNOWLEDGEMENT AND CERTIFICATION

I hereby acknowledge and certify that the foregoing information is true to the best of my knowledge and belief.

Candidate Signature

Date: _____

+++++
Verification of Candidate's Attendance at State Bar Board of Commissioners' Meetings (To be Completed by State Bar Staff)

In the past three (3) years, how many meetings of the State Bar Board of Commissioners has the candidate been eligible to attend?	
Of the meetings identified above, how many meetings of the State Bar Board of Commissioners has the candidate actually attended?	
Percentage of attendance at Board of Commissioners meetings (past three years)	

ACKNOWLEDGEMENT AND CERTIFICATION

I hereby acknowledge and certify that the foregoing information is true to the best of my knowledge and belief.

State Bar of Michigan Staff Signature

Date: _____

CALENDAR
STATE BAR OF MICHIGAN REPRESENTATIVE ASSEMBLY
SATURDAY, APRIL 9, 2022

*Denotes Action Items

9:30 A.M. MEETING BEGINS

- 9:30 a.m. 1. Introductory Matters
- A. Call to order by Chair Nicholas M. Ohanesian with Parliamentarian Hon. John M. Chmura
- Mr. Nicholas M. Ohanesian, Chair, Representative Assembly
[Social Security Administration, Office of Hearings Operations, 1925 Breton Rd. SE, Ste. 200, Grand Rapids, MI 49506
phone: (616) 920-3589; email: nickohanesian@yahoo.com]
- Hon. John M. Chmura, Parliamentarian
[37th District Court, 8300 Common Rd., # 104, Warren, MI 48093
phone: (586) 574-4925; email: jchmura@37thdistrictcourt.org]
- B. Certification that a quorum is present by Assembly Clerk, Ms. Yolanda M. Bennett
[Lansing Board of Water and Light, 1201 S. Washington Ave., P.O. Box 13007, Lansing, MI 48910
phone: (517) 702-7056; email: yolanda.bennett@LBWL.com]
- C. Adoption of proposed calendar by Rules & Calendar Chair, Ms. Jennifer A. Frost
[Jennifer A. Frost, Attorney & Counselor at Law, PLLC, 204 E. Church St., Ste. 203, Adrian, MI 49221
phone: (517) 920-2883]
- D. Approval of the September 18, 2021 Summary of Proceedings
- 9:35 a.m. 2. *Filling Vacancies
- Mr. Mark Jane, Chair, Assembly Nominating & Awards Committee
[Butzel Long, PC, 301 E. Liberty St., Ste. 500, Ann Arbor, MI 48104
phone: (734) 995-3110; email: jane@butzel.com]
- 9:40 a.m. 3. *Approval of 2022 Award Recipients
- Mr. Mark Jane, Chair, Assembly Nominating & Awards Committee
[Butzel Long, PC, 301 E. Liberty St., Ste. 500, Ann Arbor, MI 48104
phone: (734) 995-3110; email: jane@butzel.com]
- 9:50 a.m. 4. Chair's Report
- Mr. Nicholas M. Ohanesian, Chair, Representative Assembly
[Social Security Administration, Office of Hearings Operations, 1925 Breton Rd. SE, Ste. 200, Grand Rapids, MI 49506
phone: (616) 920-3589; email: nickohanesian@yahoo.com]
- 10:00 a.m. 5. Strategic Plan Update
- Mr. Peter Cunningham, Executive Director
[State Bar of Michigan, 306 Townsend St., Lansing, MI 48933
phone: (517) 346-6325; email: pcunningham@michbar.org]
- 10:10 a.m. 6. *Consideration of Proposal to Amend MRPC 1.8
Proponents: TBA

- 10:30 a.m. 7. *Consideration of Proposal to Amend MRPC 1.15
Proponents:
Mr. Nicholas M. Ohanesian, Chair, Representative Assembly
[Social Security Administration, Office of Hearings Operations, 1925 Breton Rd. SE, Ste. 200,
Grand Rapids, MI 49506
phone: (616) 920-3589; email: nickohanesian@yahoo.com]
- Mr. Mark A. Armitage, Executive Director, Attorney Discipline Board
[Attorney Discipline Board, 333 W. Fort St., Ste. 1700, Detroit, MI 48226
phone: (313) 963-5553; email: armitage@adbmich.org]
- Ms. Jennifer S. Bentley, Executive Director, Michigan State Bar Foundation
[Michigan State Bar Foundation, 306 Townsend St., Lansing, MI 48933
phone: (517) 346-6401; email: jennifer@msbf.org]
- 11:00 a.m. 8. Adjournment

p 517-346-6300

p 800-968-1442

f 517-482-6248

www.michbar.org

To: Board of Commissioners
From: James Heath, Awards Committee Chair
Date: March 17, 2022
Subject: 2022 State Bar Award Nominations

The State Bar of Michigan Awards Committee met on Wednesday, March 16, 2022 and recommends the following nominees receive 2022 State Bar of Michigan Awards:

Roberts P. Hudson Award

The committee recommends one individual: **Janet K. Welch.**

Frank J. Kelley Distinguished Public Service Award

The committee recommends one individual: **Hon. Cynthia D. Stephens.**

Champion of Justice Award

The committee recommends two individuals: **Margaret “Peggy” Costello and Robin L. McCoy.**

Kimberly M. Cahill Bar Leadership Award

The committee recommends one organization: **D. Augustus Straker Bar Association.**

John W. Reed Michigan Lawyer Legacy Award

The committee recommends one individual: **Professor Peter J. Henning (deceased).**

The committee will recommend a Liberty Bell Award winner to the Board at the Board’s June meeting.

To view all SBM award nominations, visit

<https://acrobat.adobe.com/link/review?uri=urn:aaid:scds:US:684edf9e-bdfc-3ddc-ba67-ba70a1371745>

306 Townsend Street
Michael Franck Building
Lansing, MI
48933-2012

SBM

STATE BAR OF MICHIGAN

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