

**OFFICIAL MINUTES
STATE BAR OF TEXAS
BOARD OF DIRECTORS MEETING
Austin, Texas
April 17, 1998**

The Board of Directors of the State Bar of Texas met in regular session on April 17, 1998 at the Marriott at the Capitol Hotel in Austin, Texas. The meeting was called to order by Chair Guy Harrison, and the roll was called by Executive Director Antonio Alvarado. All Board members and liaisons attended the meeting. The invocation was conducted by Rabbi Kerry Baker of the Congregation Kol Halev.

1. APPROVAL OF ITEMS ON THE CONSENT AGENDA

Upon motion made by Immediate Past President M. Colleen McHugh and seconded by Judge Robert Anchondo, the following items on the Consent Agenda were approved:

A. Minutes:

- 1) Minutes of Board meeting conducted on *January 16, 1998*
- 2) Ratification of actions taken by the Executive Committee at the meeting conducted on *February 21, 1998*: approved (1) minutes of the August 15, 1997 Executive Committee meeting; (2) motion "that the Executive Committee reaffirm the previous retention of Broadus A. Spivey and Lonny D. Morrison in connection with the representation of the Bar in Cause No. 96-61134, which is presently pending in Harris County, Texas in the 215th District Court, as counsel for the State Bar in connection with that lawsuit, and further, that Scott Rothenberg be retained to represent the Bar in connection with that same lawsuit, together with Mr. Spivey and Mr. Morrison."

B. Appointments by the President:

- 1) Commission for Lawyer Discipline:
 - a) for terms September 1, 1998, through August 31, 1999:
Chair: David L. Evans (Fort Worth)
Vice Chair: Peggy Foreman (Houston)
 - b) for three-year terms September 1, 1998 through August 31, 2001:
Robert Frost (Dallas)
Dan Naranjo (San Antonio)
- 2) Law Focused Education, Inc., for two-year terms effective:
 - a) April 1998 through April 2000:
Dr. Mary Black (Austin)
Lou DeSantiago (El Paso)
Rhonda Haynes (Austin)
Virginia James (Richardson)
Samuel Milledge (Houston)
Cindy Polinard (McAllen)
 - b) (retroactively) May 1997 through April 1999:
David Kent (Dallas)
Lilly Plummer (Odessa)
- 3) Resolutions Committee, for terms expiring at the 1998 Annual Meeting:
 - a) Temporary Committee:
Temp.-chair: SBOT Immediate Past Chair of the Board
- Lynne Liberato (Houston)

Temp. Vice-Chair: TYLA Immediate Past Chair
- Baldemar Garza (Rio Grande City)
Temp. Secretary: Local Bar Assn. (of host city)
-Deborah Sundermann
Temp. Parliamentarian: Carlos Villarreal
Alternate: Cynthia Cabaza (Weslaco)
Alternate: Carroll Robinson (Houston)

b) Review Committee:

Lynne Liberato (Houston)
Dan Pozza (San Antonio)
Bill Jones (Houston)

- 4) Texas Equal Access to Justice Foundation (IOLTA), for three-year terms July 1, 1998 through June 30, 2001:**
Richard A. Royds (Austin)
Mrs. Charles W. Wilson (Public Member, Marshall)
- 5) Texas Legal Protection Plan, for three-year terms June 1, 1998 through May 31, 2001:**
Robert Clines (Bedford) Ray Rische (Austin)
Richard Geiger (Dallas) Addison Terry (Dallas)
- 6) Texas Real Estate Broker/Lawyer Joint Committee, to complete Darren G. Woody's unexpired term through August 31, 2003:**
Jerry Prager (Dallas)

C. Other Items:

- 1) Addition to State Bar Rules: Article III, Section 8, regarding policies and procedures for collection of occupation tax, for submission to the Supreme Court (See Exhibit A.)**
- 2) TYLA President's appointment of sergeants-at-arms to serve at 1998 Resolutions Committee: (all of Corpus Christi)**

Arnold Gonzales, Jr.	Ruben Lerma
Liana Gonzales	Diana Martinez
Martha Huerta	Beverly Swallows
- 3) Recipients for the pro bono and Garms awards to be presented at the Annual Meeting:**
 - a) Pro Bono Award: West Texas Legal Services' Private Attorney Involvement Program of Lubbock**
 - b) Frank J. Scurlock Award: Thomas J. Brandt, Jr. (Houston)**
 - c) The J. Chrys Dougherty Legal Services Award: Raymond L. Gill (San Juan)**
 - d) W. Frank Newton Award: The Law Firm of Nix, Patterson & Roach, L.L.P. (Daingerfield)**
 - e) The Nancy Garms Memorial Award: Hugh C. Akin (Dallas)**
- 4) Courtesy resolutions for 1998 Annual Meeting (See Exhibit B.)**
- 5) SBOT 1998-1999 holiday schedule (See Exhibit C.)**

2. CHAIR OF THE BOARD ELECTION

Chair Harrison indicated that Roberto "Bobby" Guerra had withdrawn his name for consideration in the Chair of the Board election. The remaining candidates for 1998-1999 Chair of the Board were (in order of balloting):

Elizabeth "Betsy" Whitaker
Roy Sparkman
Ralph "Red Dog" Jones

The candidates chose not to be present during the voting. **President Richard Pena abstained from the vote. Betsy Whitaker won the election.**

3. REPORT FROM THE PRESIDENT

A. General Report

President W. Frank Newton reported that John McKay (President of the Legal Services Corporation), Richard Royds (Chair of the Board of the Texas Equal Access to Justice Foundation), and Bar leaders had met and agreed to coordinate activities and planning. The service care providers will meet on May 8-9 for a planning session to focus on the use of the filing fee fund.

President Newton also reported that on April 15, several leaders - Beverly Tarpley (Chair, standing committee on Legal Education and Admission to the Bar), Jim White (special consultant to the ABA) and Herman Hill Kay (Dean at Bolta and Chair of the Diversity Subcommittee of the Legal Education) - and the Texas deans met to discuss answers to continuing diversity difficulties in the law schools in Texas.

B. Minority Directors

Ellen Grimes, chair of the Board Minority Representation Committee and the Ad Hoc Committee to Select Minority Directors, gave an overview of the selection process. Grimes indicated that the committee had recommended four nominees to President Newton for consideration for appointment to the minority director positions being vacated by Robert Anchondo and Nelda Harris. The four nominees were Andrea Pair Bryant (Austin), Jim Coronado (Austin), Daniel Hu (Houston), and TJ Johnson (Plano). Included in the Ad Hoc Committee's recommendations were suggestions (1) that the appointment process be completed before the expiration of the general election period to allow those nominees not selected a chance to run in the general elections, and (2) that the pool of nominees be tapped for possible committee or program appointments.

President Newton indicated that he had appointed Andrea Bryant and Daniel Hu as the two minority directors. Upon motion by Carroll Robinson and second by TYLA President Bill Mateja, the appointments were ratified.

4. NOMINATIONS AND ELECTIONS COMMITTEE

Reporting as Chair of the Nominations and Elections Committee, Immediate Past Chair of the Board Lynne Liberato moved the following recommendations on behalf of the committee:

- A. **Amendment to the purpose clause of the Nominations and Elections Committee [Board Policy Manual, Appendix E], "to allow the Nominations and Elections Committee to make recommendations pertaining to the general elections, not just to make recommendations relating to the Ppresident-elect." The motion carried. (See exhibit D.)**

- B. "Beginning with the next election for Board membership that the ballot mailing include biographical information about each director candidate in contested races." The motion carried. Liberato indicated that the inserts would also include pictures of the contested candidates.

5. REPORT FROM THE EXECUTIVE DIRECTOR

A. General Report

Executive Director Tony Alvarado highlighted several items that were included in the latest edition of the *SBOT Executive Reporter*, a newsletter that he initiates for Board members: the SBOT website, Books and Systems Director Sue Mills' 25 years of service to the Bar, and the financial disclosure filing deadline (April 30).

Alvarado invited Board members to attend the activity based costing workshop scheduled for Saturday morning. He also indicated that information about the reorganization process was included in the *Executive Reporter* and that the appropriate Board committee(s) would be kept informed about the reorganization efforts.

B. Financials

(February financial statements were included in the Board packets.) Executive Director Alvarado reviewed the financial statements ending March 31, 1998 and highlighted variances and other areas of special interest.

6. REMARKS FROM THE GENERAL PUBLIC

Visually impaired attorney Robert Stiles Patterson appeared before the Board to share a copy of the letter he had presented to the Supreme Court requesting reinstatement to the Bar with a waiver of dues because of his impairment.

7. REPORT FROM THE LAWYERS' ASSISTANCE PROGRAM

Past Chair of the Board Michael Crowley and Texas Lawyers' Assistance Program Director Don Jones gave a brief report on the program, which has been evaluated by the ABA as the premier assistance program in the nation.

8. REPORT FROM THE PRESIDENT- ELECT & BUDGET COMMITTEE

A. General Report

President-elect Richard Pena talked about (1) the visits to remote areas of the state that he and TYLA President-elect JoAnn Merica (along with Executive Director Alvarado and Local Bars Coordinator Karla Staha) have undertaken in an effort to outreach and address some of the issues and concerns of lawyers, (2) committee appointments, (3) communication plan (including a newsletter) to educate the lawyers and the public, and (4) the retreat/workshop planned for the Board on June 12 during the Annual Meeting in Corpus Christi.

B. Proposed SBOT 1998-1999 Budget

President-elect Pena indicated that the proposed, zero-based budget incorporates performance measures and would be presented by Executive Director Alvarado.

Executive Director Alvarado's presentation encompassed the purposes and goals of the State Bar, and also introduced the revised staff mission:

The mission of the staff
of the State Bar of Texas
is to serve our diverse membership and the public
in a fiscally and socially responsible manner
with programs adopted by the Board of Directors
to enhance the quality, integrity, and understanding
of and access to the legal system.

Executive Director Alvarado highlighted the trends, major events, and leading indicators affecting the Bar, and indicated three particular changes to the proposed budget, which were not included in the January presentation: (1) clearinghouse technology component (Lawyer Referral and Texas Lawyers Care), (2) communications plan (including a newsletter, radio PSAs, consultants fees, blast fax/e-mail capability, video), and (3) performance pay program (salaries and compensation). Elizabeth Lang-Miers (Chair, Coordination With Other Professional Groups Committee) also addressed the clearinghouse and hotline components of the budget.

David Keltner moved for approval of the 1998-1999 SBOT budget [for presentation to the Supreme Court]. Seconded by Jack Thompson, the motion carried on a show of hands. (See exhibit E.)

9. REPORT FROM THE ADMINISTRATIVE OVERSIGHT COMMITTEE

(Closed Session)

The Board met in closed session to discuss the following items as authorized by Texas Government Code, Section 551.074: (1) the evaluation, duties and compensation of the General Counsel; (2) the evaluation, duties and compensation of the Executive Director. No vote was taken in closed session.

(Open Session)

Upon return to open session, Robert Anchondo, Chair of the Administrative Oversight Committee, gave an overview of the responsibilities of the committee and indicated that the General Counsel Oversight Committee and the Commission for Lawyer Discipline had been included in the discussions concerning the General Counsel's evaluation. Anchondo presented a summary of the rankings and input received regarding the Executive Director and the General Counsel.

A. General Counsel

On behalf of the Administrative Oversight Committee, Anchondo moved that Steve Young continue employment with the State Bar as General Counsel and that his salary be adjusted to \$100,000. The motion carried with some opposition noted.

B. Executive Director

Anchondo indicated that some of the concerns about the Executive Director were the result of the implementation of reorganization. The Administrative Committee had recommended to Executive Director Alvarado that a process be undertaken with the committee to funnel information about the reorganization efforts to the Board.

On behalf of the Administrative Oversight Committee, Anchondo moved that Antonio Alvarado continue employment with the State Bar as Executive Director and that his salary be adjusted to \$119,080, plus a car allowance of \$600 per month, for a total of \$126,280. The motion carried with no opposition noted.

10. REPORT OF THE COMMISSION FOR LAWYER DISCIPLINE

Commission Chair Charles Smith indicated that the Commission docket is down to 35 cases as a result of streamlining the process and assigning investigators and lawyers to work on the cases at the lowest level in the investigatory panels. Filings remain at approximately 9,500; sanctions, 500-550; disbarments, suspensions, and resignations in lieu of disbarments, 200-250. The Commission is in the process of forming an executive committee to handle matters between commission meetings.

11. REPORT OF THE GENERAL COUNSEL

General Counsel Steve Young reported completion of (1) a statewide case audit and review (with 266 cases in litigation and 329 in the evidentiary process remaining, both at the lowest level in years), and (2) Professional Enhancement Program (PEP) coordinators workshop. The seventh annual investigators conference is scheduled in May. Thirty-five cases are being handled by special counsel.

12. REPORT FROM OTHER BOARD COMMITTEES AND MEMBERS

A. Ad Hoc Benchmark Committee

Roy Sparkman, chair of the Ad Hoc Benchmark Committee, highlighted some of the items contained in the data compiled as a result of input received from various benchmark partners across the nation. Recommendations from the committee will be presented at the June Board meeting.

B. Regarding Section Representation

Tim Sulak, chair of the Interim Section Coordination Committee and member of the former Ad Hoc Section Study Committee, reported that a consensus of the Council of Chairs resulted in the recommendation for the creation of a standing committee called Section Representatives to the Board. Sulak reviewed the requirements to become a member of the proposed committee: member of the Bar, member of at least one section of the Bar, and not serving as a member or a liaison to the Board of Directors. The committee would consist of six members: one of whom would represent sections of 500 members or less; two, sections with 501-2000 members; and three, sections with over 2000 members. A committee member must belong to at least one section of the size which he or she would represent, and no member shall be disqualified because of a change in section size. Each committee members should become familiar with issues of concerns of the sections which he or she represents.

Sulak indicated that the recommendation is an addition to language in the Policy Manual that would create the committee and the framework of the committee. The proposal also recommends that the President appoints as committee members the persons recommended by the Council of Chairs. Expenses of the members would not be reimbursed by the State Bar, but would be reimbursable by the sections. Sixty percent of the expenses would be reimbursed in equal shares by sections with more than 2000 members and 40 percent would be reimbursed by sections having 501-2000 members, with an overall annual expense request not to exceed \$12,000.

Motion 1:

Speaking as President-elect and not as chair of the James Watson Inn, Richard Pena recommended "that a standing committee be created as the Section Representatives to the Board Committee and policy manual section 6.01.01C be amended to add such committee and to add a further subsection setting forth the criteria for appointment, size, methodology of appointment and payment of expenses as set forth in the plan designated 'Plan B' presented by Richard Orsinger at the time of the report of the Ad Hoc Section Study Committee." Sulak moved adoption of President-elect Pena's recommendations. The motion was seconded by Nelda Harris. Robert Watson proposed an amendment to have the committee fully funded

out of the General Fund of the State Bar of Texas. Sulak and Harris accepted the friendly amendment. Upon a call to vote, and a subsequent show of hands, the motion failed 21:20.

Motion 2:

Betsy Whitaker moved to resubmit the recommendation *without* the funding amendment. Seconded by Hector Zavaleta. On a show of hands, the motion carried 25:16. (See Exhibit F.)

C. Appeals Committee

1) Appeal by Bryant Berry, Jr.

John Mercy reported that the Appeals Committee had met with and considered the appeal by Bryant Berry, Jr. to the Texas Board of Legal Specialization (TBLS). **On behalf of the committee, Mercy moved that the Board uphold the decision by TBLS to not recertify Mr. Berry. The motion carried.**

2) MCLE Appeals Process

Mercy moved for Board approval of the process by which appeals can be taken from the MCLE Committee. Mercy clarified that if the process is approved, the MCLE Committee will promulgate some regulations in conformity with this policy to allow appeals from their decision-making process so that the people could have some recourse. **Roberto Guerra recommended that the effective date of the new process be 30 days from Board approval, which was acceptable to Mercy and Judge Ernie Armstrong (chair of the MCLE Committee). The motion carried. (See exhibit G.)**

D. Client Security Fund Committee

Steve Smith reported that approximately \$312,000 has been paid out of the Client Security Fund during the current fiscal year and approximately \$160-170,000 is expected in restitution.

Smith indicated that the proposed revisions to Part V of Board policy will conform the policy manual with actual practices. **On behalf of the committee, Smith moved that the Board amend the Client Security Fund provisions in the policy manual as proposed. The motion carried. (See exhibit H.)**

E. General Counsel Oversight Committee

Robert Frost stated that the General Counsel Oversight Committee will not make any recommendations about Texas Disciplinary Rules of Professional Conduct Rule 5.07 because there are adequate, existing disciplinary rules to deal with the reprehensible conduct as outlined in 5.07.

The committee will make a recommendation in June about the advertising rules for inclusion in the Fall referendum, pending input from various sources. Mitchel Winick, chair of the Advertising Review Committee, presented an overview of the pending advertising rules and indicated that the increased use of the Internet has precipitated a revision to the rules.

F. Grant Review

1) Grant Applications

Jan Soifer reported that the Executive Committee had not met since the grant applications had been received and that the Texas Bar Foundation had already made awards to TYLA on the three grants requested, pending Board approval.

Soifer presented an overview of the grants that had been submitted for review by the Grant Review Committee and, on behalf of the committee, moved that the following grants be approved for submission to the Texas Bar Foundation and that the requirement of the Executive Committee approval be waived:

- a) "Lawtalk: An Automated Legal Line" (\$3,000) Sponsor: TYLA Legal Services to Low Income Texas Committee
- b) "Re-Entering the Workforce: A Guide for People with AIDS" (\$5,000) Sponsor: TYLA
- c) "Steppin' Out/Your Rights and Responsibilities" (\$30,000) Sponsor: TYLA

The motion carried. (See Exhibit I.)

2) Grant Review Policy Revision

Soifer highlighted the problem of the current grant review process, which requires Executive Committee review of proposed grants before submission to the Board for approval. TYLA President Bill Mateja moved that the Board approve Lynne Liberato's suggestions for revision of the grant review process, as outlined in the memo included in the Board packets, subject to input concerning an appeals process to the Board. The motion carried. (See Exhibit J.) Tim Sulak suggested that the Policy Manual Committee would need to review the final recommendation for inclusion in the manual.

G. Regarding the Out-of-State Lawyer Liaison

General Walt Huffman, Out-of-State Lawyer Liaison, reported that letters received in response to his communication with the out-of-state lawyers indicated (1) that the State Bar is the best bar to which those members belong and (2) that some of those lawyers were happy to learn that there was someone representing their interest before the State Bar Board of Directors. General Huffman clarified that those members are not really represented on the Board because the Out-of-State Lawyer Liaison has no vote. The one-year term of the Out-of-State Lawyer Liaison has also added to the lack of representation. General Huffman suggested that during the Sunset review process, strong consideration be given to the term and voting status of the Out-of-State Lawyer Liaison so that out-of-state lawyers can be represented by a voting member on the Board. In the interim, General Huffman recommended that the Out-of-State Lawyer Liaison position be made a three-year tenured position.

David Holt moved to amend subsection 9.03.05 of the Policy Manual by adding the following two sentences:

The term of appointment shall be for three years. The member presently serving shall fill out the term until the end of the 1999-2000 Bar year, with the president appointing the first full three-year term to begin with the year 2000 annual meeting.

The motion was seconded by Jack Thompson. President Richard Pena interjected that he had also appointed General Huffman to serve a second year. The motion carried. (See exhibit K.)

H. Long Range Planning

Kelly Frels reviewed the report of the Long Range Planning Committee as contained in the Board packets. Items included in the report were: amendment to the Long Range Strategic Plan, recommendations for a Chair-elect of the State Bar Board, discussion about website and Long Range Plan implementation, evaluation of the State Bar organization structure in regards to sections and divisions, inclusion of statements about the financial impact and relationship to State Bar goals with proposals coming before the Board, roles of the staff and Board, and frequency of Board meetings. (See exhibit L.)

(1) Long Range Goals

President-elect Pena spoke in favor of the amendment to the Long Range Strategic Plan. On behalf of the Long Range Planning Committee, Frels moved that the Long Range Strategic Plan be amended as follows:

GOAL #6: **The State Bar must foster the relationship of the legal profession with the public through community service and education on the Justice System.**

TYLA President-elect JoAnn Merica offered a friendly amendment to broaden the goal from "education on the Justice System" to "education on the legal system and the administration of justice." The friendly amendment was accepted. On the call to vote, the motion as amended passed. (See exhibit M.)

(2) Chair-elect of the Board

Robert Watson presented the proposal to create a new Board position - Chair-elect. Second-year directors would submit their names in April to be considered for election in June during the Annual Meeting to serve as Chair-elect during his or her third year, and would serve as Chair (nonvoting) in the fourth year.

On behalf of the Long Range Planning Committee, Kelly Frels moved the adoption of the amendment to the State Bar Rules, subject to passage during the Fall referendum. The motion passed. (See exhibit N.)

(3) Fiscal Impact/Relation to Goals Statements

On behalf of the committee, Frels moved "approval of Board policy [subsection 4.07.02A(2)] which would require on items coming before the Board a financial impact statement and a statement of the State Bar goals to be furthered by the proposed agenda item." The motion carried. (See exhibit O.)

I. Legal Services

(1) Resolution on Legal Services for the Poor, Voluntary Legal Services and Community Service

The following paragraphs summarize Frels' proposal regarding the resolution on legal services for the poor, voluntary legal services and community service:

The resolution on legal services for the poor, voluntary legal services and community service is the ultimate compromise on reporting legal services to the poor, other volunteer legal services, and community service by Texas lawyers. The final language of this resolution was worked out through discussion and written communications among Frank Newton, President of the SBOT; Guy Harrison, Chair of the SBOT Board; Harriet Miers, Chair of the LSPCM Committee; and Kelly Frels, Chair of the Board committee. The whereas provisions set out the reasons for the adoption of the resolution, and the resolution speaks for itself. The pros and cons are listed and the financial impact and noncompliance with the SBOT Long-Range Strategic Plan are stated.

Several matters not specifically mentioned in the resolution are worthy of note. First, nominal payments made for the purpose of insuring the client's ownership in the representation are to be encouraged. So long as the nominal payments are not retained by the lawyer but are paid or given to a 501(c)(3) nonprofit organization, the otherwise free service will be reportable as legal services for the poor category. Second, this resolution does not address or conflict with the 50 hour aspirational goal for legal services to the poor in any way. Third, the printing of the reporting forms have been held so this year's reports can use the new reporting categories.

Motion 1:

On behalf of the Legal Services Committee, Frels moved "that the Board approve the Resolution of Legal Services to the Poor, Voluntary Legal Services and Community Service and that the two paragraphs [stated above] be included in the minutes of this meeting."

Jan Soifer spoke in opposition of the motion, stating that the Board's focus should be on improving delivery of legal services as opposed to the divisive issue of the definition of pro bono. Soifer suggested holding discussions and conducting a study about the possibility of eliminating the requirement to report pro bono hours, on how to gather more reliable data about the legal services being provided to the poor, and on how to encourage more lawyers to provide legal services to the poor.

Motion 2:

Soifer moved "that we table this resolution until the June meeting and that we focus in the next three months on whether or not we can eliminate reporting altogether and that we focus on the suggestions that we've come up with to eliminate pro bono reporting, come up with other ideas on how to improve delivery of legal services to the poor. Chair Harrison indicated that the motion to table was out of order. Soifer offered a motion to postpone to the June meeting the vote on the main motion. The motion was seconded by Nelda Harris.

Vote on Postponement:

After much discussion, the call to vote on the motion to postpone failed.

Vote on Main Motion:

On a call to vote on the main motion to approve the resolution, the motion passed. (See exhibit P.)

(2) Clearinghouse Referral Line Proposal

On behalf of the Legal Services Committee, Frels moved "that the Board approve the SBOT clearinghouse referral line pilot proposal as set out in the description attached to this report." The motion passed. (See exhibit Q.)

13. ANNUAL MEETING RESOLUTIONS COMMITTEE

Executive Director Alvarado indicated that any resolutions received that was not in compliance with the filing requirements must be brought to the attention of the Board for a possible waiver. Two resolutions had been received: one from the Texakana Bar Association, which had been withdrawn; and the other by the General Practice, Solo and Small Firm Section, which, according to Corporate Counsel Michelle Hunter, did not meet the filing requirements. Executive Director Alvarado indicated that unless a motion was made, he would not go forward with distribution of the resolution. Chair Harrison stated that the resolution, which had been filed in an untimely manner, would not be put forward for a lack of a motion.

14. REPORT FROM STATE BAR COMMITTEES, SECTIONS, & DIVISIONS

A. Professionalism

Berry Crowley, Chair of the Professionalism Committee, and Earl Hale presented a resolution to promulgate and implement a voluntary mentoring-type program of additional training of new lawyers by participating employers

in the state of Texas. The Protocol for Relationships in Ethics and Professionalism Program (PREP) had been favorably previewed by the members of the Supreme Court and would not have any fiscal impact on the Bar.

Scott Rozell moved for adoption of the resolution. Seconded by David Keltner, the motion passed. (See exhibit R.)

B. Proposed New Sections

1) Insurance Law Section

Ernest Martin, Michael Quinn, and Michael Huddleston joined forces to present the proposal for the new Insurance Law Section.

John Mercy moved “that we refer the creation of the section to the Section Coordination Committee for determination of whether or not this overlaps with some of the other sections that we currently have or whether it should be part of a broader section.” President Newton, on a point of order, indicated that under current rules, only the Board could make that determination. Chair Harrison clarified that the Board could refer any item for study to any committee and receive a report from that committee, if the item was seconded and approved. **The motion was seconded by Ed Lindsay.**

Mandy Newberger from the Consumer Law Section, spoke against the proposal. **Upon the call to vote and a subsequent show of hands, the motion passed.**

2) Sexual Orientation and Gender Identification Issues

Mitchel Katine indicated that the proposed section had been presented to the Board last year and had failed by one vote. The name had been changed, but the purpose of the proposed section remains the same: “The studying and reporting of laws, cases and statutes in the area of gay, lesbian, bisexual, transgendered and HIV law; and to provide a common meeting ground and forum for State Bar members interested in this area of the law, to meet and provide an opportunity for professional development.” Katine indicated that the proposal for the new section has met all the current requirements for the creation of a new section. Charles Spain and Larry Sauer, from the Individual Rights and Responsibilities Section (IRR), also spoke in favor of the proposed section.

Motion 1:

John Mercy moved “that the creation of this section be referred to the Section Coordination Committee for determination as to whether or not there is overlap between this section and other sections that currently exist and whether or this should be a separate section or part of another section.” The motion was seconded by Ed Lindsay.

Peter Vogel spoke in opposition of the motion and the delay, and stated that a representative from the section with the greatest possibility of overlapping (IRR) with the proposed section had spoken in favor of the new section. Several other members spoke in opposition to the delay in voting the section up or down.

In response to an inquiry, Chair Harrison clarified that the Section Coordination Committee had been created at the January 1998 Board meeting.

After much discussion, upon the call to vote and on a subsequent show of hands, the motion to refer failed.

Motion 2:

Vogel moved "for the creation of this section." Seconded by Soifer, the motion passed on a show of hands. (See exhibit S.)

15. **REPORT FROM THE TEXAS YOUNG LAWYERS ASSOCIATION**

TYLA President Bill Mateja distributed copies of "The Constitution of the United States of America", a TYLA project in cooperation with the Texas Education Agency, and made possible by a grant from the Texas Bar Foundation and additional funding by the State Bar.

16. **REPORT FROM THE SBOT INSURANCE TRUST**

Brooks Davis presented a brief report about the activities and status of the SBOT Insurance Trust.

There being no further business, the meeting was adjourned.

EXHIBITS ATTACHED

- EXHIBIT A: Addition to State Bar Rules: Article III, Section 8, regarding policies and procedures for collection of occupation tax
- EXHIBIT B: Courtesy resolutions - 1998 Annual Meeting
- EXHIBIT C: SBOT 1998-1999 holiday schedule
- EXHIBIT D: Amendment to Board Policy Manual, Appendix E - Nominations and Elections Committee purpose clause
- EXHIBIT E: 1998-1999 SBOT Budget
- EXHIBIT F: Amendment to Board Policy Manual, Section 6.01.01C - Section Representatives to the Board Committee
- EXHIBIT G: Amendment to MCLE appeals procedures
- EXHIBIT H: Amendment to Board Policy Manual, Part V - Client Security Fund
- EXHIBIT I: Grant Applications:
 - a) "Lawtalk: An Automated Legal Line" (\$3,000) Sponsor: TYLA Legal Services to Low Income Texas Committee
 - b) "Re-Entering the Workforce: A Guide for People with AIDS" (\$5,000) Sponsor: TYLA
 - c) "Steppin' Out/Your Rights and Responsibilities" (\$30,000) Sponsor: TYLA
- EXHIBIT J: Amendment to Board Policy Manual - grant review process
- EXHIBIT K: Amendment to Board Policy Manual, subsection 9.03.05 - re term of office for Our-of-State Lawyer Liaison
- EXHIBIT L: Long Range Planning Committee Report
- EXHIBIT M: Amendment to Long Range Strategic Plan - Goal #6
- EXHIBIT N: Proposed amendment to State Bar Rules - Chair-elect of the Board position
- EXHIBIT O: Amendment to Board Policy Manual, subsection 4.07.02A(2) - fiscal impact/relation to goals statements
- EXHIBIT P: Resolution of Legal Services to the Poor, Voluntary Legal Services and Community Service
- EXHIBIT Q: SBOT Clearinghouse Referral Line Pilot Proposal
- EXHIBIT R: Resolution for Protocol for Relationships in Ethics and Professionalism Program (PREP)
- EXHIBIT S: Creation of the Sexual Orientation and Gender Identification Issues Section