

**OFFICIAL MINUTES  
STATE BAR OF TEXAS  
BOARD OF DIRECTORS MEETING  
Austin, Texas  
June 14, 2001**

***OUTGOING (2000-2001) BOARD - A. M. Session:***

The Board of Directors of the State Bar of Texas met in regular session on June 14, 2001 at the Austin Convention Center in Austin, Texas. The meeting was called to order by Chair Richard T. Miller, and the roll was called by Executive Director Antonio Alvarado. Board members, liaisons, and section representatives having excused absences from the meeting were: Turner W. Branch, Harper Estes, Amy Halevy, Robert W. Jordan, Judge Sharon Keller, John Stanley Mayfield, Judge Lamar McCorkle, T. Scott Smith, and Cheryl Wilson.

1. ITEMS FROM THE CHAIR OF THE BOARD

A. Approval of Items on the Consent Agenda

Upon motion made by Jerry Selinger and seconded by Molly Steele the following items on the Consent Agenda were approved or ratified:

- 1) Approved minutes of the Board meeting conducted on *April 20, 2001*
- 2) Ratified actions taken by the Executive Committee at the meeting conducted on *May 17, 2001*: approved minutes of April 5, 2001 Executive Committee meeting; other items (fee increases as submitted by the Advertising Review Department, creation of Board of Editors for *Bar Journal*, employment practice, and Texas Access to Justice Commission appointments), discussed under separate reports during the BOD meeting.

3) Approved appointments to the following:

*By President Lynne Liberato:*

- a) Commission for Lawyer Discipline: for terms September 1, 2001 through August 31, 2002:

Chair: Scott E. Rozzell (Houston)

Vice-Chair: Timothy M. Sulak (Austin)

- b) Texas Board of Legal Specialization, to complete the unexpired term of Charles W. Lanehart, Jr., through June 30, 2003:

David Evans (Fort Worth)

*By President Broadus Spivey:*

- a) Section Coordination Committee, for two-year terms effective June 2001 through Annual Meeting June 2003:

Judge Darlene Whitten (Section, Denton)

Roger Hepworth (Section, Austin)

Gary Reaves (Board, El Paso)

Robert W. Jordan (Board, Dallas)

- b) Section Representatives to the Board Committee, for three-year terms June 2001 through Annual Meeting June 2004:

William H. Betts, Jr. (Large Section, Brenham)  
Robert V. Gibson (Medium Section, El Paso)

- c) SBOT Insurance Trust, for three-year terms effective July 1, 2001 through June 30, 2004:

Melvin L. Burner, Jr. (Austin)  
Mario J. Martinez (El Paso)

- d) Texas Equal Access to Justice Foundation (IOLTA), *reappointments* for three-year terms effective September 1, 2001 through August 31, 2004:

Mrs. Charles W. Wilson (Marshall)  
Karen S. Neeley (Austin)

- e) Texas Board of Legal Specialization:  
for terms June 2001 through June 2002:

Chair: Jay Goss (Bryan)  
Vice Chair: Robert Stokes (Dallas)

*reappointments* for three-year terms effective June 2001 through June 2004:

Jay Goss (Bryan)  
Robert D. Stokes (Austin)  
Fidel Rodriguez (San Antonio)

new appointments for three-year terms effective June 2001 through June 2004:

Robert Hohenberger (Houston)

- f) Texas Access to Justice Commission, for appointments as follows:

Dan Boulware (Cleburne)

SBOT Board Representative, 2-year term

Otway B. Denny, Jr. (Houston)

Texas Bar Foundation Representative, 2-year term

Guy N. Harrison (Longview)

SBOT Board Representative, 1-year term

Daniel D. Hu (Houston)

Program Representative, 2-year term

Anna Slaughter (Dallas)

Program Representative, 3-year term

Jan Soifer (Austin)

At-large Representative, 3-year term

Ray Thomas (McAllen)

At-large Representative, 1-year term

- 4) **Approved appointment of delegates to the American Bar Association House of Delegates for two-year terms beginning at the conclusion of the 2001 ABA Annual Meeting and expiring at the conclusion of the 2003 ABA Annual Meeting:**

**Delegates:**

Paula E. Boggs (Round Rock)  
Guy N. Harrison (Longview)  
Lynne Liberato (Houston)  
Jennifer S. Rymell (Fort Worth)

- 5) **Approved resolution honoring MG Walter B. Huffman's service to the State Bar while serving as Out-of-State Lawyer Liaison (Exhibit A)**
- 6) **Approved Construction Law Section bylaw changes: Article IV, Section 2, Article V, Section 2, Article VI, Sections 4 & 7, Article VII, Section 2 (Exhibit B)**
- 7) **Approved Oil, Gas & Mineral Law Section bylaw changes: Article I, Sections 1 & 2, Article VI, Section 8, and Article VII, Section 4 including name change to Oil, Gas, and Energy Resources Law Section (Exhibit C)**
- 8) **Approved request of Public Utility Law Section 2001 annual meeting at other than the State Bar Annual Meeting (Exhibit D)**
- 9) **Approved Taxation Section bylaw changes: Section 3.2, 6.1, 6.2 and the addition of Section 2.2 (Exhibit E)**

B. **General Report**

Chair of the Board Richard T. Miller gave an update on the resolutions passed at the 2001 Annual Meeting general session. After much effort to reach a consensus on the sex-with-clients issue, an *ad hoc committee* composed of Beverly Reeves, Luke Soules, and Charles Schwartz was appointed by Chair Miller to make recommendations. With input from Section Representative Ralph Brock, the *ad hoc committee* proposed Substitute Rule 5.07. The Board passed a motion to submit Substitute Rule 5.07 to the general membership for referendum when other issues are also put to a vote of the membership. Miller also highlighted the work of the Unauthorized Practice of Law Task Force and the Texas Young Lawyers' Association efforts to educate and protect the public from scams. *(Both topics will be addressed later in the minutes.)*

C. **College of the State Bar**

Chair Miller gave a history of the study to determine whether the College of the State Bar should be given independent status. The study under the supervision of Public Services Director Charla Ann King resulted in a proposed plan including recommendations to (1) establish the authorization for the State Bar College Board in Section 6.04, Associated Boards and Related Groups, of the current Policy Manual, (2) provide for the appointment/nominations/terms of College board members, (3) authorize the College board to elect its presiding officer and other officers, (4) clarify requirements regarding College board operations, and (5) require the College to submit twice annually a written report on Board activities due mid-year and at the close of each fiscal year. **Charles Schwartz, Board advisor to the College of the State Bar, moved that the Board approve the proposal as submitted with the condition that it be referred to the Policy Manual Committee for appropriate changes in the policy manual. Seconded by Gib Walton, the motion passed. (Exhibit F)**

D. Outstanding Third-Year Directors

Chair Miller presented plaques honoring JoAl Cannon Sheridan and Claude Ducloux as the recipients of the Chair of the Board's Outstanding Third-Year Director Award. Chair Miller also recognized Neale Potts for accomplishments on the Audit and Finance Committee and Dan Hu for accomplishments on the Facilities and Equipment and Administrative Oversight committees.

2. REPORT FROM THE PRESIDENT

A. General Report

President Lynne Liberato introduced distinguished guests from the International Bar Association: Fernando Pelaez of Venezuela and Jacques Buhart of France. Buhart announced that the association was headquartered in London, has 185 bar associations, and will host an upcoming annual meeting in Cancun.

B. Bar Year in Review

President Liberato highlighted some of the Board's accomplishments during her presidency including: creation of the Texas Access to Justice Commission, adoption of standards in criminal matters, CLE website with online classroom and free *Civil and Criminal Digest*, activity-based cost audit for the Chief Disciplinary Counsel's office, establishment of a minimum reserves balance policy, zero-based budgeting, new design and new features in the *Texas Bar Journal* and the revision of the governance board, adoption of a sponsorship policy, safety and security plan for the Texas Law Center, implementation of a technology plan for updating infrastructure, mission statement, sex-with-clients proposed referendum, establishment of time line and procedure for developing a strategic plan, refined policies relating to the College of the State Bar, preparation for Sunset Review, Symposium on Indigent Defense, high tech Annual Meeting theme, Annual Meeting Task Force, and *MyTexasBar*, which has grown to serve over 21,000 users in all fifty states.

C. In-house Corporate Counsel Task Force

President Liberato announced the formation of an In-house Corporate Counsel Task Force to address the needs of in-house lawyers who feel under served. Mike Godfrey, along with Liberato, will chair the task force.

D. CLE/PDP Report

Immediate Past Chair of the Board David Keltner reviewed the financial picture of the Continuing Legal Education program over the past year. With the decrease in CLE revenues, emphasis was placed upon research and development for devising a new program to increase revenues and decrease expenditures. As a result, research and development through April 2001 include web and database expenses of \$197,500, sponsorship development, custom CLE expansion, and new project development expenses of \$87,000, alternative media expenses of \$43,000, and satellite expenses of \$81,000 for a grand total of \$408,500. As a result, current revenue producers are a newly designed web site and satellite network. New services in the form of an online library, *Texas Bar Case Digest* by E-mail, and platform for video streaming CLE programs are planned to produce revenue in Fiscal 2001-2002. A print savings of 29% has been realized through more cost effective printing and shipping with a new vendor, and page limits for authors, thereby yielding a smaller book. Sixty-plus contacts have been made in recent months regarding sponsorships.

E. Report on Sections

President Liberato discussed the role of sections and their accelerating influence through the Council of Chairs and a membership base of almost 29,000 members. Incoming Chair of the Board Vidal G. Martinez has been meeting with section representatives to the Board in an effort to open communication and to show a commitment

on the part of the Board toward sections. Liberato also indicated that there is interest in moving the status of section representatives to that of any other liaisons. *MyTexasBar* has links to the sections.

F. UPL Task Force

Unauthorized Practice of Law Task Force Co-Chair Gregory Huffman reviewed the work of the task force, which has performed a wide-ranging study over the last two years. Huffman asked the Board to accept the report before it is presented to the Supreme Court. **Molly Steele moved that the Board accept the Unauthorized Practice of Law Task Force Report. Seconded by Jerry Selinger, the motion passed. (Exhibit G)**

3. REPORT FROM THE PRESIDENT-ELECT

President-elect Broadus Spivey indicated that the 2001-2002 State Bar budget had been submitted and accepted by the Supreme Court.

4. REPORT FROM THE EXECUTIVE DIRECTOR

Included in Executive Director Antonio Alvarado's general report were the following: (1) Information and Strategic Initiatives Director Don Jones was injured in a woodworking accident at his home and will probably be out of the office for a while. Condolences may be sent to his home and checks may be sent to the Bar. (2) Member Services Division Director Ginger Banks has announced retirement after twenty-five years of service to the Bar. (3) The senior management team has been reorganized to address the line of authority at the Bar. Shelby Rogers was named second in command with the title of Chief Operating Officer and General Counsel and Kalyn Laney was named third in command with the title of External Affairs Officer and Governmental Relations Director.

Alvarado summarized items in the Annual Meeting Task Force report called *Annual Meeting At the Crossroads: Does It Stay and Will They Go?* Propositions recommended by the Task Force after the 2003 Annual Meeting were a downsized format or a restructured format to include more collaborations, cutting-edge technology, and corporate sponsorships. The business plan should include results such as increased attendance, increased revenue, a streamlined delivery process, and enhanced marketing. Alvarado recommended that the Task Force Report be assigned to an appropriate committee to constitute an action plan for a new format for the Annual Meeting. Chair Miller referred Alvarado's request to the Incoming Chair of the Board Vidal Martinez.

5. BOARD COMMITTEES

A. Administrative Oversight Committee

Administrative Oversight Committee Co-Chair Daniel Hu indicated that Texas Young Lawyers Association and Opportunities for Minorities in the Profession Committee are working on a contract to set up an on-line job bank. No action was requested.

*(Closed Session)*

As authorized by Texas Government Code, Section 551.074, the Board met in closed session for the purpose of discussing the evaluation, duties, and compensation of the Executive Director and the Chief Operating Officer/General Counsel.

*(Open Session)*

Upon return to open session, Chair Miller announced that during the closed session, pursuant to Texas Government Code, Section 551.074, only items pertaining to the evaluation, duties, and compensation of the



Executive Director and Chief Operating Officer/General Counsel were discussed. No action was taken in closed session.

On behalf of the Administrative Oversight Committee, Co-Chair Tom Carr moved the following regarding the compensation package for the Executive Director for the upcoming year: that Antonio Alvarado continue employment with the State Bar of Texas as Executive Director and that his salary compensation increase from \$119,080 per year to \$130,000 per year; that his car allowance remain at \$600 per month; that there remain in effect a term life insurance policy for Antonio Alvarado in the amount of \$100,000 with the beneficiary designation of his choosing with premiums to be paid by the Bar; that the State Bar pay for the premium cost of the dependent medical and dental health insurance presently paid for by Antonio Alvarado for his spouse and two dependent children; that the State Bar continue to pay for short term and long term disability insurance coverage for Antonio Alvarado. The motion passed unanimously.

On behalf of the Administrative Oversight Committee, Co-Chair Hu moved the following regarding the compensation package for the Chief Operating Officer/General Counsel for the upcoming year: that Shelby Rogers continue employment with the State Bar of Texas as Chief Operating Officer/General Counsel and that his salary compensation increase from \$100,000 per year to \$109,000; that Shelby Rogers be given a car allowance of \$600 per month; that there remain in effect for Shelby Rogers all health and life insurance and all other benefits currently afforded all State Bar employees. The motion passed unanimously.

B. Audit and Finance Committee

Audit and Finance Committee Chair Neale Potts reported that preliminary year-end figures based upon the previous eleven months indicate total revenues of a little over \$23,000,000 and total expenditures of \$23,193,000, which created a deficit of approximately \$176,000 over the budgeted amount. Unfavorable variances exist in the professional development program (7%), officers and directors (14%), volunteer committees (62%), and the general counsel's office (27%) with measures being taken to correct these balances for the next budget year. Potts indicated that the general fund balance should end up around \$6.3-\$6.4 million.

Potts reported that the Audit and Finance Committee has been working with the staff to develop a five-year financial plan. For managing the general fund balance, Public Member George Edwards reported the following recommendations: (1) that the staff utilize the five-year budget projections of revenues and expenses and (2) that the budget process be reviewed and updated at least annually for changes in forecast, operations, policies and market conditions. Incoming Audit and Finance Committee Chair Gib Walton added that the Committee would be watching monthly, or bi-monthly, how the Bar is doing, and suggested future committees do the same. Potts then added that the Committee's recommendation is a rolling five-year plan and is subject to change each year as the plan is reviewed and extended. **Edwards moved that the Board approve the establishment of a minimum reserves policy at \$4.6 million for the general fund. The motion passed.**

C. Facilities and Equipment Committee

**Facilities and Equipment Committee Chair Daniel Hu moved that the State Bar of Texas proceed with the retention of a real estate consultant, Colliers Oxford Commercial, Inc., to perform an assessment of the State Bar's real estate situation. The assessment phase will be free of charge, but Colliers Oxford's direct, out-of-pocket expenses associated with travel to the field locations will be reimbursed at cost. The motion passed. (Exhibit H)**

D. Legal Services Committee

Committee Co-Chair Molly Steele indicated that the Legal Services Committee had discussed ways in which the committee can co-exist with the Texas Access to Justice Commission and secondly, has developed a summary

of past committee activities to assist future members. Steele then read a list of the newly appointed Texas Access to Justice Commission members. (*See Consent Agenda*)

E. Legislative Policy Committee

Legislative Policy Committee Chair JoAl Cannon Sheridan reported on four Bar-supported bills before the Legislature. One relating to general revenue funding for legal services to the poor did not pass. The other three relating to (1) crime victims' compensation fund, (2) cooperative purchasing, and (3) loan forgiveness for lawyers who take jobs with legal service providers were reportedly on Governor Rick Perry's desk for consideration.

F. Policy Manual Committee

**Policy Manual Committee Chair Claude Ducloux moved that the Board adopt Section 14.02 to the Policy Manual, which identifies the Bar's responsibilities for appointments to the Texas Access to Justice Commission. The motion passed. (Exhibit I)**

Ducloux then reviewed the background of the Bar's nondiscrimination policy as it relates to Section 20.01. **On behalf of the Policy Manual Committee Ducloux moved that the Bar adopt new wording in Section 20.01.01 to include military service/veteran status and sexual orientation.** Discussion ensued. Neale Potts called for an amendment stating that the Bar follows all State and Federal regulations and does not discriminate against anyone. On behalf of the committee, Ducloux declined the amendment. **Chair Miller called for a vote on the committee's motion without the amendment. The voice vote was inconclusive. Chair Miller called for a show of hands. Twenty-two Board members voted for the motion and six Board members voted against the motion. Motion approved. (Exhibit J)**

6. STATE BAR COMMITTEES, SECTIONS, DIVISIONS

A. Minimum Continuing Legal Education Committee

**Minimum Continuing Legal Education Chair Hull Youngblood requested an action item to approve additional changes to the Minimum Continuing Legal Education regulations relating to mentoring programs. Andrew Hanen moved to approve the request of the committee. Seconded by Molly Steele, the motion passed. (Exhibit K)**

B. Sexual Orientation and Gender Identification Section

Sexual Orientation and Gender Identification Issues Section Chair Phyllis Frye thanked the Board for approving the Policy Manual change regarding Section 20.01.01. On behalf of the section Frye presented an award to outgoing Board member Daniel Hu for his three years of service as board advisor.

7. OTHER REPORTS

A. Commission for Lawyer Discipline

Outgoing Chair of the Commission for Lawyer Discipline Robert Frost referred the Board to the statistical report in the Board packet. To emphasize the "people" work of the commission, Frost introduced Jeff Smith, an attorney who expressed praise for the work of the commission, and who recanted his own story of discipline, recovery from addiction, and eventual return to the practice of law.

B. Texas Young Lawyers Association

TYLA President Melody Wilkinson introduced Abigail Kampmann who told about TYLA's efforts to address the needs of senior citizens through 3400 videos that have been distributed to many organizations such as

American Association of Retired Persons, public libraries and U.S. Attorney Offices. Wilkinson then highlighted some of TYLA's accomplishments during her presidency including: Borders and Boundaries, the Child Support Project in which over 1500 cases have been processed on behalf of the Attorney General, Outreach to Law Students' Project, and the Houston disaster relief effort. Announcements included the swearing in of Incoming Chair of the Board Vidal G. Martinez at the TYLA Annual Meeting Luncheon by Governor Rick Perry and the presentation of gifts to President Liberato and Chair Miller for their leadership and commitment to TYLA.

TYLA President-elect Andrew Strong reported on collaborative efforts by legal groups in Houston to provide assistance to victims of tropical storm Allison. The approach includes the Bar's 800 number which can redirect calls to the Houston Bar Association's volunteer lawyer program. Volunteers are available to assist with such areas as insurance claims, FEMA applications, consumer rights, price gouging, and scams.

C. Various Reports

Included in other reports were the following: (1) Past President Charles Aycock, who thanked Board members for his three years on the Board and Bob Frost for his work on the Commission for Lawyer Discipline; (2) Justice Craig Enoch, who made remarks about the Annual Meeting Task Force and administrative responsibility of Supreme Court judges and how they are assigned, and who also highlighted the works of public members, minority members, and various other Board members; (3) Section Representative Vianei Robinson, who stated that section representatives are feeling much more accepted by the Board and are looking forward to initiatives of Incoming Chair Vidal Martinez in regard to the roles and contributions of section representatives; (4) Section Representative Ralph Brock, who reported on the various section projects; (5) Past Chair of the Board and Resolutions Committee Chair David Keltner, who stated that all Annual Meeting resolutions, except one from the General Practice, Solo, and Small Firm Section, had been withdrawn, negotiations were still under way regarding that resolution, and that this resolution might also be withdrawn. Keltner stated that notices would be posted to advise members if the Resolutions Committee meeting was canceled. (*The Resolutions Committee meeting was subsequently canceled.*)

***INCOMING (2001-2002) BOARD - P. M. Session:***

The afternoon session of the Board was called to order by outgoing Chair Richard T. Miller, and the roll was called by Executive Director Antonio Alvarado. Members and liaisons absent from the afternoon session of the meeting were: Judge Mark D. Atkinson, Turner W. Branch, Harper Estes, Amy Halevy, Robert W. Jordan, Judge Sharon Keller, John Stanley Mayfield, and Homer Reynolds III.

8. PRESENTATIONS, INSTALLATION AND SWEARING IN OF NEW OFFICERS AND DIRECTORS

Justice Craig Enoch administered the oath of office to the incoming officers and directors. President Broadus Spivey, President-elect Guy N. Harrison, and Chair of the Board Vidal G. Martinez were introduced by the outgoing 2000-2001 officers, and each incoming officer gave general remarks. A gavel was presented to President Spivey and a copy of *Robert's Rules of Order* was presented to Chair Martinez. Shadow boxes were presented to outgoing President Liberato and Chair Miller.

9. REPORT FROM THE CHAIR OF THE BOARD

Chair Vidal Martinez's general remarks included: (1) the announcement of the pending appointment of Board member Andrew Hanen to the Federal bench in Brownsville, (2) a reminder (in reference to Jeff Smith's Commission for Lawyer Discipline comments) that one-third of the Bar's budget is spent on lawyer discipline, and (3) a reminder that all Board members should have received committee assignments in the mail and a laminated card with key staff and Board members' phone numbers distributed at today's meeting. Martinez indicated that his tenure as Chair would focus on three major goals: (1) strategic planning with Elizabeth Lang-Miers heading the Strategic Planning Committee and committed to a proposal for the Board by its January 25,



2002 meeting in El Paso; (2) revenue enhancement issues, including *MyTexasBar* sponsorship initiatives under the leadership of Past President Liberato; and (3) sunset review, with Gib Walton serving as chair of the *ad hoc* committee. Other topics expected to be of continuing interest are Annual Meeting and reimbursement policy.

10. REPORT FROM THE PRESIDENT

President Spivey referred Board members and liaisons to the information included in the Board packet concerning Executive Committee and chair/vice-chair appointments to State Bar committees.

11. REPORT FROM THE TYLA PRESIDENT

Incoming TYLA President Amos Mazzant thanked the Bar for support of TYLA projects and expressed particular thanks to President Spivey and Chair Martinez for the broader presence of TYLA on Board committee assignments.

There being no further business or remarks from the public, the meeting was adjourned at 5:00 PM.

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EXHIBITS ATTACHED

EXHIBIT A:	Resolution Honoring MG Walter B. Huffman
EXHIBIT B:	Amendments to Bylaws: Construction Law Section
EXHIBIT C:	Amendments to Bylaws: Oil, Gas & Mineral Law Section
EXHIBIT D:	Amendments to Bylaws: Utility Law Section
EXHIBIT E:	Amendments to Bylaws: Taxation Law Section
EXHIBIT F:	Action Plan for College of the State Bar
EXHIBIT G:	Report Regarding A New Statutory Definition for the Unauthorized Practice of Law
EXHIBIT H:	Letters to/from Colliers Oxford Commercial, Inc. Regarding Real Estate Assessment
EXHIBIT I:	Board Policy: Revisions Regarding Texas Access to Justice Commission
EXHIBIT J:	Board Policy: Revisions Regarding Employee Non-Discrimination Policy

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