

**STATE BAR OF GEORGIA  
EXECUTIVE COMMITTEE  
MINUTES  
Friday, April 13-14, 2018  
Barnsley Resort/Adairsville, Georgia**

Members Participating:

Brian D. (Buck) Rogers, President; Kenneth B. Hodges, III, President-elect (by phone); Dawn M. Jones, Secretary; Darrell L. Sutton, Treasurer; Patrick T. O'Connor, Immediate Past President; Nicole C. Leet, YLD President; Rizza O'Connor, YLD President-elect; Jennifer Campbell Mock, YLD Immediate Past President; Damon E. Elmore (by phone); Elizabeth Louise Fite; David S. Lipscomb; Frank Strickland; and Nicki Vaughan.

Members Absent:

Phyllis Holmen.

Guest Participating:

Jeff Fucito (by phone).

Staff Participating:

Sharon Bryant, Chief Operating Officer; Jeff Davis, Executive Director; Christine Butcher Hayes, Director of Governmental Affairs; Paula Frederick, General Counsel; and Bill NeSmith, Deputy General Counsel.

Call to Order

President Buck Rogers called the meeting to order at 1:00 p.m. Members of the Executive Committee in attendance are indicated above.

Future Meetings

President Buck Rogers reviewed the Future Meetings Schedule.

Members Requesting Resignation

Pursuant to State Bar Rule 1-208, the Executive Committee unanimously approved the following resignation requests by unanimous voice vote: Hunter Biederman-308939; Denise Seeley Reger-153086; Tara Kay Johnson -789142; David Edwin Duke -232325; Thomas Lowell West III-749025; Russell Calvin Ford-268177.

Members Requesting Disabled Status

Pursuant to State Bar Rule 1-202, the Executive Committee, by unanimous voice vote, approved one request for disabled status.

Approval of 2018-2019 Proposed State Bar Budget

Following a report by Treasurer Darrell Sutton, the Executive Committee, by unanimous voice vote, approved and recommended to the Board of Governors the 2018-2019 Proposed (2<sup>nd</sup> Draft) State Bar and Bar Center Budgets, as revised (Exhibit A). The budget also reflects:

- 1) Dues at \$252 for active members and \$126 for inactive members, which represents a \$2 increase in actives dues and a \$1 increase in inactive dues; and

- 2) Section dues to be reflected on the dues statement ranging from \$10-\$40; and
- 3) Continuation of assessments required by Bar Rules regarding the Clients' Security Fund (\$100 @ \$25/year) and Bar Center Facility (\$200 @ \$50/year); and
- 4) Continuation of a \$100 opt-out contribution for the Legislative and Public Education Fund; and
- 5) A suggested \$300 opt-in provision for individual contributions (\$100 for young lawyers) for the Georgia Legal Services Program.

David Lipscomb asked Executive Director Jeff Davis to discuss with SunTrust the possibility of getting a higher interest on the \$4.2 million kept in SunTrust for the lockbox services.

#### YLD Secretary and Treasurer

Following a report by YLD President-elect Rizza O'Connor, the Executive Committee, by majority voice vote, failed to pass a motion to provide \$1,300 as an advanced reimbursement to the YLD Treasurer and YLD Secretary to help offset the costs they incur for their volunteer leadership efforts. A motion to increase the 2018-19 YLD budget by \$2600 so the YLD can cover the cost of the hotel only for the YLD Treasurer and YLD Secretary, and to amend the (2<sup>nd</sup> Draft) 2018-19 Budget to reflect the increase, was approved by unanimous voice vote.

#### Foundation Assets Re ICLE Transfer to Bar

Executive Director Jeff Davis reported that the original agreement with ICLE was to transfer all of ICLE's assets into the State Bar of Georgia Foundation (SBGF), and currently those assets total \$4.2 million. Jeff further reported that we have been running the ICLE program as all other Bar programs and paying its operating costs out of the Bar's budget. The Bar has incurred \$3.1 million in expenses on behalf of ICLE and needs to be reimbursed. He also reported that the SBGF was originally created as a pass-through for small donations and using it in that way only required the Bar to file a Form 990-EZ. Now that we have \$4.2 million in the account, the Bar is required to file a Form 990 (long form). The Bar's auditor, Mauldin & Jenkins, has suggested we transfer the ICLE assets out of the SBGF and move them into a separate Bar account used for ICLE's operational budget. Jeff Fucito of Mauldin & Jenkins then described the reporting differences between the two Form 990s.

Mr. Fucito reported that while it was wise to start out by placing the ICLE assets in the SBGF until the Bar could see what it was dealing with, the Bar would not have that concern now. He further reported that moving the assets would simplify the Form 990 preparation and cost. He stated that economically the Bar has supported the cash needs of ICLE and it does not make sense to hold the assets in a separate SBGF account. It was his professional opinion the Bar should transfer the ICLE assets into the Bar and account for ICLE separately as it does the Bar Center and CCLC.

Jeff Davis said the ultimate question that will be before the SBGF Board of Trustees is whether to transfer the SBGF assets and place them in a restricted account that would be accounted for separately as we do the Bar Center and CCLC. Deputy General Counsel Bill NeSmith reported that by transferring all of ICLE assets over to the Bar, the Bar would assume all the obligations

and liabilities of ICLE's Board. Bill also reported that he will need to review the agreement between ICLE, the State Bar, and the SBF before any transfer was made.

President Buck Rogers suggested we defer this matter to receive more information and, if needed, have an Executive Committee meeting in conjunction with the Annual Meeting.

#### Requests for Contributions/Sponsorships

Following a report by President Buck Rogers, the Executive Committee unanimously approved the following requests:

- 1) \$2,500 sponsorship for Georgia Appleseed for the Good Apple Awards that will be held on April 18, 2018;
- 2) \$3,500 sponsorship for GABWA for its 2018 Glitter Gala and Auction on July 21, 2018; and
- 3) \$2,000 request from GAWL for its Annual Dinner on May 15, 2018.

Thereafter, the Executive Committee, by majority voice vote, failed to pass a motion for an in-kind request from Derrick Pope to provide an office and two workstations in the State Bar's office space for the *Arc of Justice* Project.

#### Request to Terminate the Judicial District Professionalism Program (JDPP)

Following a report by Executive Director Jeff Davis on the underuse of and lack of effectiveness of the Judicial District Professional Program, the Executive Committee, by unanimous voice vote, approved terminating the program. Terminating the program will require approval by the Board and the Supreme Court, as with any other rule changes.

#### GLSP Lease

Executive Director Jeff Davis reported that the real estate broker for the GLSP asked for a rent reduction from \$15.17 sq. ft. to \$12 sq. ft. when the GLSP lease renews after the current lease expires in September 2018. Instead, Jeff proposed that the Bar renew the GLSP lease for a two-year period, as opposed to the standard five-year period, at the current \$15.17 sq. ft. rate so as to allow time for GLSP to get a new Executive Director in place and determine future office space needs. A motion proposing a two-year lease at the current rate of \$15.17 sq. ft., with no payment of broker's fees, was approved by unanimous voice vote.

#### Approve Member Benefits, Inc. Retirement Plan Offer

Following a report by Jeff Davis, the Executive Committee, by unanimous voice vote, approved Member Benefits, Inc., offering small 401(K) Retirements Plans and Cyber Security Insurance to members of the State Bar as part of its array of insurance options.

#### Executive Committee Minutes

Secretary Dawn Jones presented the minutes of the Executive Committee meetings on February 8, February 14, and March 15, 2018. The Executive Committee, by unanimous voice vote, approved the February 8 minutes as revised, and the February 14 and March 15, 2018 minutes as presented.

### Executive Session

Following a motion and second, the Executive Committee, by unanimous voice vote, moved into Executive Session at 2:58 p.m. to discuss the Distinguished Service Award, Employee of the Year Award, litigation and other issues.

Thereafter, following a motion and second, at 3:52 p.m. the Executive Committee, by unanimous voice vote, moved out of Executive Session and back into the Executive Committee meeting.

### Treasurer's Report

Treasurer Darrell Sutton reported on the Bar's finances. He announced that ICLE Controller Rebecca Taylor has stepped into the role of controller while the Bar searches for a new CFO. He reported that the Bar's membership numbers are up from both last year's numbers and this year's budgeted amount. He also reported that emeritus members are up over the budgeted amount by 300, and up a little over 200 members from last year, due to the aging of the profession. On that topic, he reported that while dues notices have not yet been mailed, 300 members have already elected to designate a lawyer for succession planning. Lastly, he reported that consistent with current trends, contributions to the legislative and public education fund are flat, but up for the GLSP. He reported that a good deal of money has been spent from the Cornerstones budget to pay for the latest PSAs, and it will be replenished in next year's budget from surplus.

Following a report by Treasurer Sutton, the Executive Committee, by unanimous voice vote, approved the Programs Committee's recommendation that the State Bar provide \$20,000 this fiscal year to continue the work of the Georgia Justice For All Strategic Plan through the Administrative Office of the Court's Access, Fairness, Public Trust and Confidence Committee. The money will be used to compensate the committee's staff person to oversee the implementation of the Georgia Justice for All Strategic Plan developed by the Justice For All Working Group.

The Executive Committee received copies of the Consolidated (Operational and Bar Center) Preliminary Revenues and Expenditures Report as of January 31, 2018; Income Statement YTD for the Seven Months Ended January 31, 2018; Bar Center Revenues and Expenditures Report for the Seven Months Ended January 31, 2018; Summary of Dues and Voluntary Contributions at January 31, 2018; Legislative Fund and Cornerstones of Freedom Fund Activity Reports through January 31, 2018; and an Investment Performance Comparison 2005-2017.

### YLD Report

YLD President Nicole Leet reported that the YLD had a most successful meeting in Nashville. Members of the Tennessee YLD and Vanderbilt law students participated in the weekend activities. She reported that the Legal Food Frenzy begins next week. Nicole announced that the Community Service Project Committee has coordinated a statewide day of service in conjunction with Habitat for Humanity to do a home build in Atlanta, Augusta and Columbus. She also announced that a few more Wills Clinics are being scheduled. Lastly, Nicole reported that the YLD continues to work with the Pro Bono Project and others on the Due Justice Do 50 challenge, and that the YLD is supporting a few of those legal organizations with small grants.

### Executive Director's Report

Executive Director Jeff Davis reported that the Coastal Georgia Office (Savannah) lease expires at the end of October. There has been some discussion about moving the office to another location

so as to offer more meeting space for ICLE events and parking, but we will need a committee to look into that if we want to seriously explore that option. Jeff reported that he plans to negotiate a two-year extension of the lease, as opposed to the five year option in the current lease. Immediate Past President Pat O'Connor abstained from the discussion due to a conflict.

#### ACL/Legislative Report

Director of Governmental Affairs Christine Butcher Hayes reported that the Legislature adjourned sine die on March 28 and the Bar successfully passed five bills in the session. She further reported that as of January 1, 2019, attorneys will be required to e-file pleadings and related documents in state and superior court. Litigants can file for free at public access terminals in the courthouse or remotely at a cost of \$30 per filer, per party for the first 10 filings and a \$5 per filing fee thereafter. Of the \$30 fee, \$5 will go to the counties to cover the cost of kiosks in the courthouses for filing free or pro se filings. Christine also reported that our lawyer legislators and our Section members who volunteered their time to propose the bills were a tremendous help.

#### Office of General Counsel Report

General Counsel Paula Frederick reported that Senior Assistant General Counsel Jonathan Hewatt is retiring at the end of the month and his replacement, James (Jim) Lewis, has been hired.

The Executive Committee received a written Report of the Office of the General Counsel dated April 13, 2018.

#### Possible Subsidy for Public Interest Lawyers to Attend BOG Meetings

President-elect Ken Hodges reported that he wants to explore the possibility of subsidizing the cost for public interest lawyers to attend Board of Governors and other Bar meetings. A motion to allocate \$5,000 for a pilot program mirrored after the YLD scholarship program, with the mechanics still to be worked out, and to amend the (2<sup>nd</sup> Draft) 2018-19 Budget to reflect the increase, was approved by unanimous voice vote.

#### Clients' Security Fund (CSF) Balance and the Need to Make Additional Contributions

Treasurer Darrell Sutton reported that the CSF is being depleted and will need to be replenished in the next few years. General Counsel Paula Frederick reported that the CSF Board of Trustees also wants to advocate for some changes in its procedures. She stated that she will look at what other jurisdictions do in regards to their client protection programs and will meet with the rules committee to come back with a proposed solution on funding and procedures. If that occurs, the proposed solution can be presented to the BOG during the Fall Meeting.

#### ICLE Update/Athens Property Update

Deputy General Counsel Bill NeSmith reported that sale of the ICLE Athens property is near completion.

#### Adopting Rules for Mandatory Fee Arbitration

David Lipscomb reported that the Fee Arbitration Committee is asking the Executive Committee if it wants the committee to pursue proposing to the Board of Governors that the program be made mandatory and binding and consider administrative suspension for attorneys who fail to pay or work out a repayment plan. He stated that nine state bars currently have mandatory fee arbitration programs. Most disputes are client v. lawyer, but there are also some lawyer v. lawyer. Once a

client files a fee arbitration petition a copy is sent to the lawyer for response. When a client files a petition they must agree to be bound by the results of the arbitration; however, the answer filed by the lawyer gives the lawyer the opportunity to be bound or not bound by the results of the arbitration. When the arbitrators enter an award and the lawyer who agreed to be bound fails to pay, the Bar may provide a lawyer to represent the client in post-award proceedings. If the lawyer does not agree to be bound, the client is entitled to a de novo trial. The issue comes up periodically whether it is appropriate for the Bar to pay to litigate on behalf of the client. This would not be a problem if lawyers could not opt out and the program made mandatory. The first issue is whether the program should be binding, and the second issue is the lawyer not paying an award. The Executive Committee asked the Fee Arbitration Committee to look at amending the program's rules to make the program mandatory and binding.

The Executive Committee received copies of the rules of attorney fee disputes from other bar associations which have binding fee arbitration, and a copy of a 2008 ABA Fee Arbitration Survey that surveyed the states about their attorney-client fee arbitration program with a special focus on the customer-centric aspects of their program.

#### 5<sup>th</sup> Floor Buildout

This item was tabled to a future meeting.

#### Board of Governors Minutes

The Executive Committee received a copy of the March 10, 2018 Board of Governors meeting minutes.

#### Middle Georgia Access to Justice Council, Inc.

The Executive Committee received a copy of a letter from the president of the Middle Georgia Access to Justice Council expressing its gratitude to the Executive Committee for awarding it a grant to help start its lawyer incubator program.

#### 2019 Election Schedule

The Executive Committee received a copy of the State Bar of Georgia 2019 Elections Schedule.

#### Employee Appreciation

The Executive Committee received copies of emails from members expressing their appreciation to Crystal Richards, CLE Administrator, and Kindall Harville, Savannah Office Manager, for their assistance.

#### Old Business

There was no old business.

#### New Business

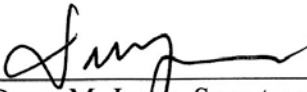
There was no new business.

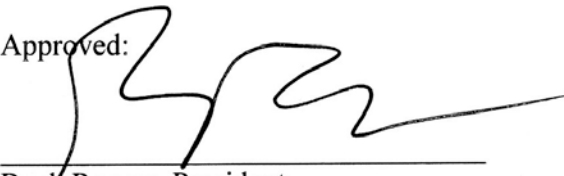
#### Adjournment

There being no further business the meeting was adjourned at 4:49 pm.

Executive Committee/Supreme Court Joint Meeting

The Executive Committee and Justices of the Supreme Court of Georgia conducted a joint meeting on Saturday, April 14, 2018, at 9:00 am to discuss pending issues and developments affecting the administration of justice and the regulation of the legal profession. Those present for the meeting from the Supreme Court of Georgia were Chief Justice Harris Hines, Presiding Justice Harold Melton, Justice Robert Benham, Justice David Nahmias, Justice Keith Blackwell, Justice Michael Boggs, Justice Nels Peterson, Justice Britt Grant, and Tee Barnes, Clerk of Court. Executive Committee members present were President Buck Rogers, President-elect Ken Hodges, III, Secretary Dawn Jones, Treasurer Darrell Sutton, Immediate Past President Pat O'Connor, YLD President Nicole Leet, YLD President-elect Rizza O'Connor, YLD Immediate Past President Jennifer Mock, Elizabeth Fite; David Lipscomb; Frank Strickland; and Nicki Vaughan. Bar staff in attendance were Sharon Bryant, Jeff Davis, Christine Butcher Hayes, Paula Frederick, and Bill NeSmith.

  
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Dawn M. Jones, Secretary

Approved:   
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Buck Rogers, President