

MEMORANDUM

TO: Section and Committee Chairs
Presidents and Executive Directors of State and Local Bar
Associations
State and Section Delegates in the House of Delegates
ABA Directors and Department Heads

FROM: Marina B. Jacks

SUBJECT: Summary of Action of the June 2010 Board of Governors Meeting

DATE: June 11, 2010

Attached is the Summary of Action of the June 4-5, 2010, meeting of the Board of Governors held at The Ritz Carlton in Washington, DC. This Summary does not constitute official Minutes of the meeting. Minutes will be presented to the Board for approval at the next meeting, in August 2010.

If you have any questions with respect to the action taken, please let me know.

CC: Board of Governors

Attachment

**SUMMARY OF ACTION
AMERICAN BAR ASSOCIATION
BOARD OF GOVERNORS**

**The Ritz Carlton
Washington, DC
June 4-5, 2010**

1. REPORTS OF OFFICERS AND THE EXECUTIVE DIRECTOR

The Board received the reports of the President, President-elect, Chair of the House of Delegates, Immediate Past President, Secretary, Treasurer and Executive Director. The minutes of the Board's February 5, 2010, meeting in Orlando, Florida, and April 20, 2010, meeting in Washington, DC were approved as presented. The minutes of the Executive Committee's meetings of March 2 (conference call), April 5 (e-mail ballot), April 16 (conference call), April 30 (conference call), April 30 (e-mail ballot) and June 3, 2010, were received.

2. MATTERS FOR DIRECT BOARD ACTION

2.1 Presentation Regarding ABA Representative to the United Nations

Dennis W. Archer, one of the four ABA representatives to the United Nations, provided the Board with an overview of the issues relating to the ABA's U.N. representatives. The Association's relationship with the United Nations is vital; however, the role of the U.N. representatives needs to be strengthened through the allocation of specific funding and staff support as well as clarification of expectations for the ABA representatives regarding their attendance at meetings and related events.

2.2 Request to Approve Continuing Legal Education Business Model

The Board received the Center for Continuing Legal Education 2010-2015 Strategic Plan, dated May 25, 2010 (Plan), as an interim Plan and directed the Standing Committee on Continuing Legal Education to consider and evaluate the Plan, to make adjustments and make recommendations to the Board at the 2010 Annual Meeting.

2.3 Consideration of Dues Proposal

In February 2010, the House of Delegates approved Phase I of the Standing Committee on Membership's (SCOM) recommendation regarding dues pricing. Phase I included a reduction in dues for lawyers working in government or legal services, for judges and for solo practitioners. At the request of the Board, SCOM deferred consideration in February of Phase II of the recommendation, which pertains to dues for lawyer members who are not eligible for the special dues rates.

SCOM submitted to the House of Delegates for consideration at the 2010 ABA Annual Meeting House Report 118 regarding Phase II and the Board reviewed House Report 118 at the June 2010 meeting. The Board recommended that a) House Report 118 be withdrawn at the August 2010 meeting of the House of Delegates and b) a resolution

regarding Phase II be resubmitted to the House of Delegates when value improvement and marketing efforts have progressed sufficiently, as determined by the Board of Governors.

2.4 Presentation Regarding ABA Branding and "The Big Ideal"

The Board approved "Champions of Law" as the new ABA tagline, to replace "Defending Liberty, Pursuing Justice."

2.5 Executive Session

In executive session, the Board selected United States Supreme Court Justice Ruth Bader Ginsburg of Washington, DC, as the recipient of the 2010 ABA Medal.

2.6 National Judicial College

a. Nominations

The Board, sitting as the Members of the National Judicial College (NJC), elected Ms. Kim Sinatra of Las Vegas, Nevada; and re-elected John Frankovich of Reno, Nevada; Honorable Sophia H. Hall of Chicago, Illinois; and Joseph P. Petito of Washington, DC, all for three-year terms to commence at the conclusion of the June 2010 meeting of the NJC Board and conclude at the end of the NJC Board meeting in 2013.

b. National Judicial College Presentation

On behalf of the Honorable William F. Dressel, President of the National Judicial College (NJC) who had to leave the Board meeting, ABA Secretary Honorable Bernice B. Donald, expressed the appreciation of the NJC Board of Trustees for the strong support given to the NJC and its work by the American Bar Association.

2.7 Presentation Regarding Rule of Law Initiative

Robert J. Grey, Jr., Chair of the ABA Rule of Law Initiative (ROLI), presented a power point titled "Strengthening ABA ROLI and the ABA-ROLI Relationship: The Next 20 Years." The presentation explained some of the recent challenges that ROLI has experienced in complying with the ABA business model in terms of governance, financial, and human resources issues and outlined generally recommendations that may be brought to the Board in August 2010 to enable ROLI to become more competitive, effective, flexible and sustainable in the future.

2.8 Presentation Regarding Segment Value Membership Initiative

Laurel G. Bellows, Co-Chair of the Task Force on Segment Value Membership Initiative (SVMI), presented a status report regarding the work of the Task Force. Formed in June 2009, the Task Force, in conjunction with the Standing Committee on Membership, coordinates the implementation of the SVMI that began in September 2008 to develop

ideas for adding value to ABA membership. The Task Force is focusing on four segments: law students and global, large and medium-sized firms. The Task Force coordinated 13 "ABA Days" at law schools across the country during the spring 2010 semester and is also working with the Young Lawyers Division on its "Touch 10,000" initiative, a member-to-member outreach program designed to link current ABA young lawyer members, known as "Ambassadors," with new bar admittees. In addition, the Task Force held the first "President's Council," June 2, 2010, in Washington, DC, for the purpose of encouraging dialogue between ABA leadership and law firm leaders. Managing partners from 14 law firms attended the "President's Council."

2.9 Status Report Regarding 2010 ABA Day in Washington

Laurel G. Bellows, Chair of the ABA Day in Washington Planning Committee, presented a report regarding 2010 ABA Day in Washington, held April 20-22 at the Hyatt Regency Washington on Capitol Hill. ABA Day is co-sponsored by the National Conference of Bar Presidents, National Association of Bar Executives, the ABA Section Officers Conference and the ABA Young Lawyers Division. Approximately 260 ABA members participated in what was one of the Association's most successful ABA days. Ms. Bellows expressed her appreciation to Wm. T. (Bill) Robinson III, Chair of the Standing Committee on Governmental Affairs, and Thomas M. Susman, Director of the Governmental Affairs Office, for their outstanding efforts which ensured the success of 2010 ABA Day.

2.10 Fund for Justice and Education

The Board, sitting as the members of the Board of the American Bar Association Fund for Justice and Education (ABA/FJE) a) approved the minutes of the February 5, 2010, meeting of the ABA/FJE Board as presented and b) accepted the ABA/FJE restricted grants and contributions received or awarded through April 10, 2010, and not previously reported, as requested by the Association's Financial Services Division.

2.11 Consent Calendar: Report of Board Committee Chairs

The Board adopted the Consent Calendar as presented by the Secretary. Action on all items contained on the Consent Calendar is set forth in items 3 through 5 of this Summary of Action relating to the reports of the Board Committees.

2.25- INFORMATIONAL REPORTS **2.28**

The Board received written informational reports from the Commission on Sexual Orientation and Gender Identity, the Commission on the Impact of the Economic Crisis on the Profession and Legal Needs, the Center for Racial and Ethnic Diversity, and the Website Oversight Task Force.

3. OPERATIONS AND COMMUNICATIONS COMMITTEE

A. MATTERS FOR REVIEW BY THE BOARD

3.1 Requests for Bylaw Amendments

a. Judicial Division Lawyers Conference

The Board approved the request of the Judicial Division Lawyers Conference to clarify its bylaws to provide that a member of the Lawyers Conference who is an active judge or justice shall not be eligible for the officer positions of either Vice Chair or Secretary except in the case where the lawyer member of the Conference becomes a judge or justice during his or her term as Vice Chair or Chair-elect. The proposed, revised bylaws were approved by the Lawyers Conference at the 2010 ABA Midyear Meeting.

b. Section of Legal Education and Admissions to the Bar

The Board approved the request of the Section of Legal Education and Admissions to the Bar to amend its bylaws, in pertinent part, to i) revise the "purpose" clause of the bylaws to align the clause with the Section's Strategic Plan and to clarify that the Council, and not the House of Delegates, is the final authority regarding accreditation matters, ii) revise the process for nominating new Council members to provide adequate time frames and full transparency, iii) revise the definition of "Public" Member on the Council and Accreditation Committee for clarity and to comply with Department of Education regulations, iv) specify term limits for the Secretary, and v) create a Finance Committee as a standing Section committee. The proposed amendments were approved by the Section Council on March 19-20, 2010. Approval of the amendments by the Board is subject to approval by the Section membership in August 2010.

c. Senior Lawyers Division

The Board approved the request of the Senior Lawyers Division to amend its bylaws to modify the composition of the Nominating Committee to eliminate the requirement that at least two members of the Committee must be persons who have never served as officers or members of the Division Council. The proposed amendment was approved by the Division Council on April 17, 2010. Approval of the amendment by the Board is subject to approval by the Section membership in August 2010.

d. Section of Intellectual Property Law

The Board approved the request of the Section of Intellectual Property Law to amend its bylaws to create the officer level position "CLE Officer" to enable the Section to strategize more effectively in developing quality programming that meets members' needs and helps generate non-dues revenue. The proposed amendments were approved by the Section Council on April 10, 2010. Approval of the amendments by the

Board is subject to approval by the Section membership at the Section Business Session in August 2010.

e. Section of International Law

The Board approved the request of the Section of International Law to amend its bylaws to create the officer level position "Communications Officer" to oversee all Section communications and outreach efforts, subject to relevant Association guidelines and policies and in coordination with the Association's Media Affairs Office. The proposed amendments were approved by the Section's Administrative Committee on March 18, 2010. Approval of the amendments by the Board is subject to approval by the Section membership at its meeting on August 6, 2010.

f. Section of Family Law

The Board approved the request of the Section of Family Law to amend its bylaws, in pertinent part, to provide i) for voting by facsimile or electronic mail, ii) the Section Financial Officer may serve more than two two-year terms, and iii) the budgets of the Section's Scope and Correlation Committee and Long Range Planning Committee shall be governed by the Section's financial policy, rather than approved by the Section Chair. The proposed amendments were approved by the Section Council on April 23 and August 1, 2009 and approved by the Section membership on April 17, 2010.

g. Section of Dispute Resolution

The Board approved the request of the Section of Dispute Resolution to amend its bylaws to reflect current Section business practices to include, in pertinent part, i) provision for a Vice Chair, ii) description of the duties of the Budget Officer, iii) clarification of the composition and selection of the Section Council, iv) provision for an Executive Committee and definition of that committee's authority, v) clarification of the process for naming a Section Delegate to the ABA Nominating Committee, and vi) other technical and grammatical corrections of a non-substantive nature. The proposed amendments were approved by the Section Council on April 7, 2010. Approval of the amendments by the Board is subject to approval by the Section membership at its annual meeting on August 7, 2010.

h. Section of Taxation

The Board approved the request of the Section of Taxation to amend its bylaws to prescribe a procedure to follow if the position of Chair-elect becomes vacant. The proposed amendments were approved by the Section Council on January 21, 2010 and approved by the Section membership on May 8, 2010.

i. Tort Trial and Insurance Practice Section

The Board approved the request of the Tort Trial and Insurance Practice Section to amend its bylaws to i) establish a procedure to replace any Section Delegate to the ABA

House of Delegates who is unable to serve and b) provide if the person who is currently serving as a Council member or a Section member-at-large on the ABA Board of Governors joins the law firm or entity of another Council member or Section member-at-large on the Board, that person shall be permitted to complete his current term. The proposed amendments were approved by the Section Council on May 15, 2010. Approval of the amendments by the Board is subject to approval by the Section membership at its annual business meeting on August 9, 2010.

3.2 Nominations

a. A-E-F-C Pension Plan Administration Committee (National Judicial College Representative)

The Board elected Peter J. Neeson of Philadelphia, Pennsylvania, to complete the unexpired term of the National Judicial College's (NJC) current representative on the A-E-F-C Pension Plan Administration Committee (Administration Committee) through the conclusion of the 2010 ABA Annual Meeting and to then serve a three-year term on the Administration Committee, to conclude at the end of 2013 ABA Annual Meeting, as recommended by the NJC Board of Trustees.

b. American Intellectual Property Law Education Foundation (Section of Intellectual Property Law)

The Board re-elected Katherine C. Spelman of Berkeley, California, as an ABA representative on the Board of Trustees of the American Intellectual Property Law Education Foundation (AIPLEF), for a second three-year term beginning July 1, 2010, and concluding on June 30, 2013, as recommended by the Section of Intellectual Property Law. In February, 2002, the ABA Board approved ABA membership in AIPLEF, an organization formed by the Section and the American Intellectual Property Law Association to grant scholarships to encourage racial and ethnic minority law school students to study the field of intellectual property law and select it as a field of practice.

c. LAWASIA (Section of International Law)

The Board approved the request for the American Bar Association to become a member organization of The Law Association for Asia and the Pacific (LAWASIA) and elected Michael E. Burke of Washington, DC, as the ABA's LAWASIA Country Councillor, to serve a three-year term, effective immediately, with the understanding that a) the Section of International Law will pay the LAWASIA annual membership fee from Section funds and b) no general revenue will be used.

LAWASIA is an international organization of lawyers' associations, individual lawyers, judges, legal academics, and others, founded in 1966, which focuses on the interests and concerns of the legal profession in the Asia Pacific region. LAWASIA's governing body, the LAWASIA Council, meets annually and is comprised of representatives of legal entities from 25 countries. Each member organization is permitted to appoint one individual as its Country Councillor, a voting member of the Council.

d. United States Sentencing Commission (Criminal Justice Section)

The Board approved the appointment of James E. Felman of Tampa, Florida, as ABA liaison to the United States Sentencing Commission, for a three-year term, effective immediately, as requested by the Criminal Justice Section.

For a number of years, the Sentencing Commission has invited ABA representatives to make presentations and to testify before it. It was suggested that the appointment of an ABA liaison to the Commission may improve the regularity of contacts and assure that the ABA is always in a position to address Sentencing Commission proposals.

3.3 ABA Medal

See Exhibit 3.3 above.

3.4 Council for Racial and Ethnic Diversity in the Educational Pipeline Request for Co-Sponsorship and to Seek Outside Funding

The Board approved the request of the Council for Racial and Ethnic Diversity in the Educational Pipeline to co-sponsor a diversity pipeline project with the Law School Admission Council (LSAC), Walmart, and Legal Outreach, Inc. in spring 2011 and to solicit outside funding for the project. No ABA general revenue is requested or required.

3.5 ABA Legal Opportunity Scholarship Fund Request to Revise Jurisdictional Statement to Increase Membership

The Board revised the jurisdictional statement of the ABA Legal Opportunity Scholarship Fundraising Committee to increase the number of members from six to eight. The increase will permit the appointment of two additional individuals from corporations and law firms to facilitate expanded outreach. No ABA general revenue is requested or required.

3.6 President-elect Zack's Request for Approval of 2010-2011 Meeting Dates and Locations

The Board approved the following dates and locations for meetings of the Board for 2010-2011:

October 28-30, 2010	The Ritz-Carlton South Beach Miami, FL
February 9-11, 2011 (in conjunction with the ABA Midyear Meeting)	Marriott Marquis Hotel Atlanta, GA
June 9-11, 2011	The Grand Del Mar Resort San Diego, CA

August 3-5, 2011 Fairmont Royal York Hotel
(in conjunction with the Toronto, Ontario, Canada
ABA Annual Meeting)

3.7 Law Student Division Request for Partial Reimbursement of Annual Meeting Expenses of Members of the Law Student Division Board of Governors

The Board approved the request of the Law Student Division and authorized partial reimbursement of expenses incurred by members of the Law Student Division Board of Governors for attendance at Division meetings to be held in conjunction with the 2010 ABA Annual Meeting in San Francisco, California.

3.8 Commission on Immigration Request for its Volunteer Advocates for Immigrant Justice (VAIJ) Project to Become an Affiliate of Kids in Need of Defense (KIND)

The Board approved the request of the Commission on Immigration for the Commission's project Volunteer Advocates for Immigrant Justice (VAIJ) in Seattle, Washington, to enter into an affiliation with Kids in Need of Defense (KIND) with the understanding that the memorandum of understanding that reflects the affiliation is reviewed and approved by the Office of General Counsel prior to finalization.

3.9 Section of International Law Request to Enter into Memorandums of Understanding with Several Organizations to Further Section's International Models Project on Women's Rights (IMPOWR)

The Board approved the request of the Section of International Law to enter into separate memorandums of understanding (MOU) with the American University Washington College of Law -Women and International Law Program, Avon Global Center for Women and Justice at Cornell Law School, Development Gateway, George Washington University - International Rule of Law Center, International Development Law Organization, International Women's Human Rights Clinic at Georgetown Law Center, and Vital Voices Global Partnership to further the Section's International Models Project on Women's Rights (IMPOWR). IMPOWR is an ABA Enterprise Fund Project that is establishing a collaborative online database of information regarding gender-equality law reform efforts around the world. Each MOU will be reviewed and approved by the ABA General Counsel's Office prior to taking effect.

3.10 Standing Committee on Membership Requests for Member Benefit Programs

The Board approved the requests of the Standing Committee on Membership for the following member benefit programs:

a. Canon and IKON

Canon: Canon is a leading provider of consumer, business-to-business and industrial imaging. All Canon document technology equipment will be available at discounted

pricing typically offered only to large law firms. Canon intends to expand the program to include consumer products within the first year of operation. Royalty: 1.5 percent.

IKON: IKON is the world's largest channel for document management systems and services. ABA pricing will be set at 35 percent below manufacturers suggested retail price, and will be a "not to exceed" pricing schedule. Discounts could be larger depending on the size and scope of the contract with a member and whether products are "clearance" or promotional. Discounted or free shipping. Royalty: 2 percent-first year; 3 percent-second year.

b. Lenovo

Lenovo is the world's fourth-largest PC vendor. Lenovo will offer savings not available to the general public as well as free shipping on website orders. In addition, ABA members will receive an additional five percent off most products, access to the discount directly via the website or phone, a toll-free technical support line, and a dedicated ABA sales phone line. Royalty: Structured on an increasing basis, tied to sales (2 percent- under \$99,000; 3 percent-\$100,000-\$299,999; and 4 percent-above \$300,000). Lenovo will also participate in marketing communications for an annual fee of \$20,000.

3.11 Standing Committee on Membership and Law Student Division Request for Member Benefit Program with Westlaw to Offer Discount on Study Guides for ABA Law Student Division Members

The Board approved the request of the Standing Committee on Membership and the Law Student Division to develop a member benefit program with Westlaw that will offer ABA law student members a 25 percent discount on 15 study guide series and a 25 percent discount on a selection of titles in the company's Law School Success and Career Success Series. In addition, ABA law student members will earn "Westpoints" on purchases which will permit them to purchase additional guides at the discounted rates and will receive free shipping on online orders.

3.12 Requests to Establish Awards

The Board approved the following requests to establish annual awards. No ABA general revenue is requested or required for the awards.

a. Section of Labor and Employment Law

The Section of Labor and Employment Law will establish the annual "ABA Section of Labor and Employment Law and College of Labor and Employment Lawyers Annual Student Writing Competition." The writing competition, which will be co-sponsored by the Section and the College of Labor and Employment Lawyers (College), will be open to all currently enrolled undergraduate law students attending ABA accredited law schools in the U.S. Three monetary awards (\$1,500, \$1,000, and \$500) funded by the College will be presented at the College's Annual Induction Dinner, which is held in conjunction with the Section's Annual Conference. The winning papers may also be

published in the "ABA Journal of Labor and Employment Law."

b. Tort Trial and Insurance Practice Section (TIPS) (Two Requests)

i. James K. Carroll Leadership Dinner

TIPS will name its annual Leadership Dinner, which is held during the ABA Annual Meeting, the "James K. Carroll Leadership Dinner." Mr. Carroll, an active Section member who served as Section Chair in 2004-2005, passed away unexpectedly following the 2009 ABA Annual Meeting.

ii. James K. Carroll Leadership Award:

TIPS will establish the annual "James K. Carroll Leadership Award" to recognize a lawyer or judge who is a TIPS member and demonstrates outstanding leadership qualities through his or her work with the Section. The award, a plaque or other object with a maximum value of \$500, will be paid with Section funds and presented at the Leadership Dinner held during the ABA Annual Meeting, beginning in 2011.

3.13 Standing Committee on Meetings and Travel Recommendations Regarding 2017 and 2019 Midyear Meeting Sites

The Board approved Miami, Florida, as the site of the February 1-7, 2017 ABA Midyear Meeting and Las Vegas, Nevada, as the site of the January 23-29, 2019 ABA Midyear Meeting, as recommended by the Standing Committee on Meetings and Travel.

3.14 Law Student Division Request to Establish a Group Dues Program for Law Students

The Board approved the request of the Law Student Division to establish a group dues program for students at ABA approved law schools. The group program will have two tiers: a) Law schools and law firms that enroll a law school class (1L, 2L, or 3L) or any combination of two classes will receive a 20 percent discount, setting student dues at \$20.00; and b) law students and law firms that enroll the entire law school student body in the group program will receive the discounted rate of \$17.00 per year per student. In addition, the program will provide a special rate of \$20.00 per law student for law firms that sponsor a minimum of 50 law student memberships. Regular dues for individual law students will remain at \$25.00 a year. Students entering their first year of law school may enroll in a three-year membership at \$60.00, which must be paid at the time of enrollment.

3.15 Recommendation Regarding Standing Committee on Membership Dues Proposal Submitted for Consideration at the 2010 ABA Annual Meeting

See Exhibit 2.3 above.

3.18 Standing Committee on Meetings and Travel Recommendation Regarding ABA Participation in Economic Boycotts

The Operations and Communications Committee received a report from the Standing Committee on Meetings and Travel. No further action was taken by the Board regarding this issue.

3.19 Request to Approve Guidelines for the Retention of Outside Legal Counsel

The Board approved the attached Guidelines for the Retention of Outside Legal Counsel, dated June 4, 2010.

ADDITIONAL ITEM: President-elect Zack's Request for the Creation of a Task Force on Preservation of the Justice System

The Board approved President-elect Zack request to create a Task Force on Preservation of the Justice System, comprised of 20 members, including two co-chairs. The Task Force will develop recommendations and strategies to address the under-funding of the judicial system. The Task Force will be funded by general revenue submitted through the regular budgeting process.

B. MATTERS OF INDEPENDENT JURISDICTION

3.17 Requests for Co-Sponsorships

The Operations and Communications Committee **approved** co-sponsorship requests from the following entities. No additional ABA general revenue is requested or required for these co-sponsorships.

a. Section of Antitrust Law (3 Requests):

i. Asia Competition Association (ACA): ACA's 2010 Annual Conference, September 16, 2010, in Seoul, Korea. The ACA conference will be held in Seoul in conjunction with the Seoul International Competition Forum and the East Asia Competition Authorities Meeting.

ii. Brazilian Institute of Studies on Competition, Consumer Affairs and International Trade (IBRAC): the conference "Antitrust in the Americas: Recent Topical Developments," with IBRAC, June 2011, in Rio de Janeiro, Brazil. (A request for approval of the CLE portion of the conference has been submitted to the Standing Committee on Continuing Legal Education for approval.)

iii. Inter-Pacific Bar Association (IPBA): competition law sessions with the IPBA during the IPBA's 2011 Annual Meeting in Kyoto/Osaka, Japan, April 21-24, 2011, and also to co-sponsor the sessions during the IPBA's 2012 and 2013 annual meetings (dates and locations to be confirmed).

b. Section of State and Local Government Law: the Section's Fall Council Meeting with three regional chapters of the American Planning Association, September 30-October 3, 2010, in Providence, Rhode Island.

- c. Council for Racial and Ethnic Diversity in the Educational Pipeline: a diversity pipeline conference with the Leadership Council on Legal Diversity, July 22, 2010, at ABA Headquarters in Chicago, Illinois.
- d. Commission on Women in the Profession: the National Association of Women Lawyers program "From Generation to Generation: Remarkable Women Leaders," August 7, 2010, in San Francisco, California, during the ABA Annual Meeting.
- e. Section of Litigation: Request to solicit state, local, county, city, specialty and minority bar associations in the state of Florida to help promote participation and attendance at the Section of Litigation Annual Conference, April 13-16, 2011, in Miami Beach, Florida. The Section would offer the participating bar associations \$25.00 per person from the registration fee of each of their members that registers.

4. PROGRAM, EVALUATION AND PLANNING COMMITTEE

A. MATTERS FOR REVIEW BY THE BOARD

4.1 Standing Committee on Medical Professional Liability Request to Seek Outside Funding

The Board approved the request of the Standing Committee on Medical Professional Liability to solicit outside funding to hold a colloquium for lawyers (representing different ABA constituencies) and physicians and other health care professionals to discuss emerging paradigms which influence patient safety nationally and how these might be impacted through rapid mitigation of losses through disclosure, apology and prompt restitution, medical malpractice caps, and other measures.

4.2 Section of Antitrust Law Request to Create the "ABA Antitrust Section Economics Grant Program"

The Board approved the request of the Section of Antitrust Law to establish the "ABA Antitrust Section Economics Grant Program" effective FY2010 – 2012. The program will award grants, through 2012, to lawyers and economists who conduct original, empirical economic research and produce a paper of publishable quality that explores a topic relevant to domestic and/or foreign antitrust and consumer protection law and policy. ABA membership is not a requirement for eligibility. No ABA general revenue funds are requested or required.

4.3 Program, Evaluation and Planning Committee Subcommittee on the Enterprise Fund Recommendation Regarding FY2009-2010 Second Quarter Report

The Board approved the Program, Evaluation and Planning Committee's (PEPC) recommendations for no-cost extensions for the following five Enterprise Fund Projects. PEPC's recommendations were based on PEPC's review of the projects' FY2009-2010 Second Quarter Reports.

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- Aiding Substance Abusing Youth and Their Families, from August 2010 Annual Meeting to 2011 Midyear Meeting.
- Building Community Trust: Improving Cross-Cultural Communication in the Criminal Justice System, from April 2010 to August 2010.
- Emeritus Attorney Pro Bon Indigent Guardianship Project, from June 2010 to August 2010.
- Judicial Disqualification Project, from August 2010 to August 2011.
- Veterans Advocacy Pro Bono Project, from August 2010 to February 2011.

4.4 Recommendation Regarding FY2010-2011 Enterprise Fund Proposals

The Board approved funding in FY2009-2010, totaling \$181,720.00, for the following four Enterprise Fund proposals:

A Voice that Only a Lawyer Can Provide: Assuring Children's Access to Justice	\$35,000.00
Assisting Lawyers and Law Firms Develop and Test Disaster Preparedness and Recovery (Business Continuity) Plans	\$46,720.00
The Bail Reform Tool Kit: Uncovering the Abuses and Problems of Our Nation's Bail System	\$75,000.00
The Newest Use of Alternative Dispute Resolution in Complex and Contentious Child and Family Matters: Bringing ABA Expertise to Inform Professionals of the Latest ADR Developments	\$25,000.00

4.5 Request to Approve Continuing Legal Education Business Model

See Exhibit 2.2 above.

B. MATTERS OF INDEPENDENT JURISDICTION

4.15 Revision of the Program, Evaluation and Planning Committee's (PEPC's) Evaluation Process

Following feedback from the Board and ABA entities, PEPC assigned a Subcommittee on Evaluation and has extensively reviewed the PEPC evaluation and ranking process. A new time-line has been developed for the process, which includes time for contact between entities and their Board liaisons with PEPC reviewers during the review process as well as an opportunity for feedback from all prior to finalizing rankings. New forms and instructions are also being developed.

5. **FINANCE COMMITTEE**

A. **MATTERS FOR REVIEW BY THE BOARD**

5.1 **Requests to Contribute Funds to Outside Organizations**

a. **Section of Real Property, Trust and Estate Law**

The Board approved the request of the Section of Real Property, Trust and Estate Law for an exception to the ABA policy regarding contributions to other organizations to permit the Section to contribute \$3,000.00, from the Section's special reserve fund budget, to the Society of Financial Service Professionals (SFSP) to offset production costs of a panel presentation at the SFSP annual meeting on December 8, 2010.

b. **Section of Taxation**

The Board approved the request of the Section of Taxation for exception to the ABA policy regarding contributions to other organizations to permit the Section to contribute \$125,000.00 from Section funds, not derived from member dues, to the American Tax Policy Institute (Institute). The Institute is a 501(c)(3) organization formed in 1990 by the American College of Tax Counsel to promote and facilitate scholarly research, analysis, and discussion of tax policy issues. The Board has approved Section contributions to the Institute each year since 2001.

5.2 **Request Regarding Deutsche Bank Alex Brown Resolutions**

The Board authorized the execution of updated investment resolutions due to the recent selection of Deutsche Bank Securities, Inc. as the Association's investment consultant. The resolutions include the titles of all Financial Services staff required to authorize delivery, assignment, withdrawal, redemption and transfer of funds as well as the hierarchy of authorization to be followed.

5.3 **Request to Engage Ernst & Young to Conduct Audits of American Bar Association Financials for Year Ending August 31, 2010**

The Board approved the engagement of Ernst & Young to conduct the Audit of the American Bar Association Financials for the year ending August 31, 2010, as set forth in the draft engagement letter included in the agenda for the June 2010 Board meeting, with the understanding that the fees for the engagement will be verified by the ABA Interim Controller.

5.4 **Recommendation Regarding ABA Pension Plan**

The Board directed that official notice indicating the potential for a change in the Defined Benefit Pension Plan (AEFC Pension Plan) be sent to all that might be affected by any change to the AEFC Pension Plan. The Board will consider comments and suggestions

from staff prior to making a final decision at the August 2010 meeting about the future of the AEFC Pension Plan.

5.5 Status Report Regarding Budget Process/Preliminary Approval of FY2011 General Revenue Budgets

The Board preliminarily approved \$96.2 million as the expenditure level for the FY2011 general revenue budget.

In addition, the Board accepted the report of the Financial Budgeting Systems and Processes Subcommittee and voted to:

- 1) direct ABA senior management to prepare a budget totaling \$93.5 million in expenses to meet expected revenue in that amount, to be supplemented by the amounts the Board voted on February 5, 2010 to transfer from the Dues Warehouse for payments in FY2011: for the services of Ogilvy and Mather to assist the ABA in its Membership Growth Initiative (\$1M); and for funding of Phase 1 of the Standing Committee on Membership's dues pricing proposal (\$1.7M);
- 2) request that Program, Evaluation and Planning Committee work with ABA senior management to ensure that the draft budget reflects the goals, mission and priorities of the ABA;
- 3) direct senior management to distribute the final draft budget referenced above to the Board of Governors and affected entities, staff and volunteers by July 1, 2010;
- 4) implement a single combined appeals process of both Program, Evaluation and Planning rankings and budget recommendations, per the attached memorandum, with the exception that the committee determining appeals in which the gross amount in controversy is less than \$30,000 shall be comprised of the current chairs of the Finance and the Program, Evaluation and Planning Committees of the Board of Governors, the incoming chair of the Finance Committee of the Board of Governors, the Treasurer of the American Bar Association and by the Executive Director of the American Bar Association or his designee;
- 5) close the appeals process in sufficient time for a final proposed budget for FY2011 to be submitted to the Finance Committee and the Board of Governors for further review and action at the ABA Annual Meeting in August 2010.

B. MATTERS OF INDEPENDENT JURISDICTION

None for consideration.

GUIDELINES FOR THE RETENTION OF OUTSIDE LEGAL COUNSEL

JUNE 4, 2010

1. Outside legal counsel shall be retained only by the General Counsel. Where legal fees payable to the firm to be engaged are anticipated to be in excess of \$50,000, the General Counsel shall also seek the approval of the Chair of the Operations and Communications Committee, or the Chair's designee.
2. Prior to the retention of legal counsel, the General Counsel will consider whether the attorneys and staff in the office of the General Counsel are able to handle the matter, in house. In making this decision, the General Counsel should consider the complexity of the matter the ability of his attorneys and staff to handle the matter, either because of workload and/or competency and the risks/benefits to the Association of utilizing in house versus outside counsel. The General Counsel will also explore potential assistance from the Association's committees and sections. Also prior to the retention of legal counsel, the General Counsel will investigate the possibilities of retaining counsel having competence to handle the specific legal needs called for, either at no fee or on a reduced fee basis, with their time characterized as a professional contribution to the work of the Association. In the latter event, it should be suggested that the Association may pay certain expenses. If it is determined that legal counsel is not available on a no fee basis, the General Counsel will investigate and determine the range of hourly charges of the attorneys to be retained on a fee basis. The General Counsel will advise the Chair of the Committee, or the Chair's designee, of the prospective charges prior to the retention of legal counsel.
3. Attorneys' fees will be paid only after review by the General Counsel and approval by the Operations and Communications Committee. The General Counsel will review legal activity and fees paid to outside counsel at each regularly scheduled meeting of the Operations and Communications Committee.
4. With respect to counsel retained continuously for more than 2 years the General Counsel is encouraged to, no less often than every two years, or sooner if the firm raises the hourly rates it charges the Association, solicit proposed

hourly rates from several other firms having the competence to represent the Association in the types of matters to be handled by such counsel. In making its decision on which counsel to retain on a continuing basis, the General Counsel shall take into consideration the rates to be charged along with the competence and reputation of counsel, as well as other considerations.

5. In selecting counsel to represent the ABA, the General Counsel shall take into consideration, along with considerations of costs and competence, the law firm's policy on ABA membership, diversity and pro bono service. In connection with the firm's policy on ABA membership both the General Counsel shall use its best efforts to engage firms that pay for ABA membership for all of its lawyers in the firm who desire to join the ABA or firms which, regardless of their policy toward payment of ABA membership, have achieved the level of 75% or greater of its lawyers as members of the ABA.

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AMERICAN BAR ASSOCIATION

MEMORANDUM

TO: ABA Entities
FROM: Matthew L. Nelson
SUBJECT: Budget Appeals
DATE: July 13, 2009

Finance Committee
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This memorandum discusses the process for appealing budgetary allocations in the Proposed ABA Fiscal Year 2010 Operating Budget (the Budget), which has now been distributed to all ABA entities. As are all processes of the Finance Committee, the appellate process is intended to be fair and transparent.

(1) All entities have the right to appeal from any budgetary allocation in the Budget whether found in existing budget lines or in a decision reached on a properly submitted AFR.

(2) All appeals must be in writing, on the form provided by the ABA Finance Department, and must be submitted by the close of ABA business on July 22, 2009.

(3) All appeals where the gross amount in controversy is less than \$30,000 will be decided by a Committee composed of the President Elect, the Chairmen of the Finance, Program Evaluation and Planning, and Operations Committees of the Board of Governors, and the Treasurer. This Committee will inform relevant entities of its decision on or before July 27, 2009. The decisions of this Committee may be appealed to the Finance Committee by written notice submitted to ABA Finance Department on or before July 29, 2009.

(4) All other timely filed appeals and appeals from the under \$30,000 Committee will be decided by the Finance Committee at its July 30, 2009 Meeting. The appeals will be decided primarily on the basis of the written submission. Because the Finance Committee's meeting to review these appeals will occur during the Annual Meeting, the volunteer leadership of any appellant entity may, if desired, appear before the Finance Committee to make a brief (2-3 minute) presentation and answer questions regarding the appeal. If a volunteer leader will not be present, the appellant entity should fully prepare its Board Liaison to answer any questions regarding the appeal.

(5) There is no right to appeal the decisions of the Finance Committee. However, the Board of Governors may, in connection with its plenary authority over the budget, decide to review any decision of the Finance Committee with respect to the Budget. The Board will determine its own process for any such review.