# STATE BAR OF ARIZONA GENERAL INFORMATION

**I. STATE BAR OF ARIZONA GENERAL INFORMATION**

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## BOARD OF GOVERNORS

**II. BOARD OF GOVERNORS**

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INTRODUCTION

The State Bar of Arizona was created in 1933 by an act of the legislature to serve the legal profession and the public. When the state legislature outlined plans to reorganize the state government, the Supreme Court, in 1973, with the advice and concurrence of the legislative leadership, created an organization known as the State Bar of Arizona (now Rule 32, Rules of the Supreme Court). From 1973 to 1984, the Bar owed an allegiance to both the legislature and the state’s Supreme Court. In 1984, the legislature applied the State’s “sunset” provisions to the statutes governing the State Bar. Now the State Bar of Arizona exists solely as an organization under the “direction and control” of the Supreme Court of Arizona. All persons licensed to engage in the practice of law shall be members of the State Bar of Arizona.

The Court rules outline certain specific responsibilities of the State Bar toward the membership as well as to the public interest.

In 1933, the Bar had one full-time staff member and several hundred members. Today, in 2010, it has a professional staff of 105; 27 committees, 29 sections; and 20,700 members.

The State Bar receives no state revenues, but obtains its operating funds from several sources, including annual membership fees; application fees from candidates for admission to the practice of law; seminar fees; revenues from the sale of continuing legal education publications; revenues from advertising in Arizona Attorney and the Membership Directory; and registration and exhibitors’ fees from the annual conventions.

This Board of Governors’ Informational Manual has been prepared so as to compile in one place a variety of information essential to effective board management. Each board member is urged to become familiar with this material. The manual is compiled in a manner that will allow for periodic updating. Staff will endeavor to keep this manual current. Suggestions for improvements in this reference book are welcomed.

Updated 4/28/10
HISTORY

The Arizona Territory was formed in 1865, and already lawyers were practicing law in three judicial districts. In 1895, the first statewide bar association was created and lawyers held regular Bar meetings. In 1902, the Bar raised membership dues from $1 to $5. The Bar also led the rewriting of a civil code for the Territory that year and in 1904 strongly promoted the admission of Arizona and New Mexico as one state into the Union. Arizona became the 48th state in 1912.

The Arizona Bar Association was first incorporated in 1906 and in 1912 it adopted the ethical rules of the American Bar Association and began official admission procedures for the practice of law. The University of Arizona College of Law was created in 1925 to expand upon what had previously only been a department of study.

The State Bar of Arizona was created as an integrated or "mandatory membership" organization in 1933 by an act of Legislature to serve the legal profession and the public. At that time 654 attorneys and 22 judges worked in the state and only 175 belonged to the voluntary Arizona Bar Association. The State Bar has held annual conventions since 1933, except for 1945 during World War II.

In 1948, the State Bar of Arizona opened its first office at 234 North Central Avenue in Phoenix and hired its first employee, Mrs. Doris Odom, as secretary. Slightly more than 1,000 attorneys were licensed to practice law in Arizona at that time.

The first Executive Director, Don Phillips, was hired in 1954. Phillips served for 10 years before handing over the reins to Eldon Husted whose tenure lasted from 1964 to 1982. Husted prepared the first annual budget for the association in 1965 and it totaled $78,000. When Husted left in 1982, membership numbers had climbed beyond 7,000.

In 1973, the Arizona Supreme Court drafted Rule 31 (renumbered to Rule 32 after Rule changes by the court in 2000) which created joint oversight by the Legislature and Supreme Court over the State Bar. That joint oversight ended in 1985 when the Legislature 'sunsetted' the 1933 State Bar Act, leaving the Bar under the sole authority of the Arizona Supreme Court.

Today, the State Bar of Arizona is located in downtown Phoenix. The organization employs approximately 105 people who serve more than 20,700 attorneys and a growing population of Arizona citizens.
MISSION STATEMENT

The State Bar of Arizona serves the public and enhances the legal profession by promoting the competency, ethics and professionalism of its members and enhancing the administration of justice.
ARTICLES OF INCORPORATION
OF
STATE BAR OF ARIZONA

The undersigned, having associated themselves together for the purpose of forming a corporation under Chapter 5 of Title 10, Arizona Revised Statutes, do hereby adopt the following Articles of Incorporation:

ARTICLE I
NAME AND DURATION

The name of the corporation is STATE BAR OF ARIZONA and its duration shall be perpetual.

ARTICLE II
PURPOSES AND CHARACTER OF AFFAIRS

The character of the business that the corporation initially intends to conduct in the State of Arizona and the purposes for which the corporation is organized shall be to advance the administration of justice according to law; to aid the courts in carrying on the administration of justice; to provide for and regulate the admission of persons seeking to engage in the practice of law; to provide for the regulation and discipline of persons engaged in the practice of law; to foster and maintain on the part of those engaged in the practice of law high
ideals of integrity, learning, competence and public service, and high standards of conduct; to provide a forum for the discussion of subjects pertaining to the practice of law, law reform, the science of jurisprudence, and continuing legal education; to carry on a continuing program of legal research in technical fields of substantive law, practice and procedure, and to make reports and recommendations thereon; to encourage practices that will advance and improve the honor and dignity of the legal profession; to take such affirmative action as may be necessary to and in the analysis and solution of societal problems which are or may be affected with legal or other implications of concern to lawyers as citizens dedicated to preservation of the rule of law; and to conduct any and all lawful affairs for which corporations may be incorporated under Chapter 5 of Title 10, Arizona Revised Statutes.

The corporation shall have the power to hold properties of any kind or nature, including the specific power to establish and maintain profit making subsidiaries or enter into profit making ventures, for the carrying out of any of its authorized purposes. In carrying out the foregoing purposes, the corporation shall have all the powers given to and possessed by a corporation under Chapter 5 of Title 10, Arizona Revised Statutes; provided, however, that its powers, purposes, and activities shall
be limited to those of an organization described in Section 501(c)(6) of the Internal Revenue Code of 1986.

ARTICLE III

STATUTORY AGENT AND PLACE OF BUSINESS

The name and address of the initial statutory agent of the corporation is Bruce Hamilton. The address of the initial known place of business of the corporation is 363 North First Avenue, Phoenix, Arizona 85003.

ARTICLE IV

MANAGEMENT OF AFFAIRS

The affairs of the corporation shall be conducted in accordance with the Bylaws of the corporation and the Rules of the Supreme Court of Arizona (the "Rules"), which Rules create, control, and regulate the corporation.

ARTICLE V

BOARD OF GOVERNORS

The number of Governors constituting the initial Board of Governors of the corporation is sixteen (16). The size of the Board of Governors shall be established from time to time by the Supreme Court of Arizona as set forth in the Rules. The names and addresses of the persons who are to serve as members of the Board of Governors until the annual meeting of the members of the
corporation, or until their successors are elected and qualified, are:

Frederick M. Aspey  
123 North Leroux  
Flagstaff, Arizona  86001-4543

S.D. Lutey  
P.O. Box 27  
Prescott, Arizona  85302

Thomas M. Thompson  
P.O. Drawer 2510  
Globe, Arizona  85501

Stephen M. Desens  
Copper Queen Plaza  
P.O. Box 87  
Bisbee, Arizona  85606

Richard L. McAnally  
111 South Church  
Suite 1000  
Tucson, Arizona  85701

Sarah R. Simmons  
33 North Stone  
Suite 2200  
P.O. Box 2268  
Tucson, Arizona  85702

Thomas A. Zlaket  
2701 East Speedway  
Suite 200  
Tucson, Arizona  85716

Roxana C. Bacon  
3636 North Central, 11th Floor  
Phoenix, Arizona  85012

Edwin F. Hendricks  
2700 North Third St.  
Suite 4000  
Phoenix, Arizona  85004

Tom Karas  
101 North First Ave.  
Suite 2470  
Phoenix, Arizona  85003

Michael K. Kennedy  
360 East Coronado  
Phoenix, Arizona  85004

John E. Lundin  
3500 Valley Bank Center  
Phoenix, Arizona  85075-3500

Susan G. Wintemute  
2700 North Central  
Suite 1400  
Phoenix, Arizona  85004

-4-
Robert E. Schmitt 1763 West 24th St.
P.O. Box 1809
Yuma, Arizona 85364-1809

Boyd T. Johnson P.O. Box 175
Coolidge, Arizona 85228

Ernest Calderon P.O. Box 13466
Phoenix, Arizona 85002

ARTICLE VI

INCORPORATORS

The name and address of each incorporator is:

S.D. Lutey P.O. Box 27
Prescott, Arizona 86302

Bruce Hamilton 363 North First Avenue
Phoenix, Arizona 85003

ARTICLE VII

MEMBERSHIP

Membership in the corporation shall be as provided for in Rule 31(c) of the Rules of the Supreme Court of Arizona and the Bylaws of this corporation, and any member in good standing of the unincorporated predecessor association known as the State Bar of Arizona shall automatically be a member of the corporation as of the date of filing of these Articles of Incorporation.

ARTICLE VIII

LIABILITY

The private property of the incorporators, members, officers, members of the Board of Governors, or
members of any committee appointed by the Board of Governors shall not be subject to the liabilities, debts or obligations of the corporation.

ARTICLE IX

LIMITATION OF GOVERNOR LIABILITY

A member of the Board of Governors of the corporation shall not be personally liable to the corporation or its members for monetary damages for breach of fiduciary duty as a Governor, except for liability for any of the following: (a) any breach of the Governor's duty of loyalty to the corporation or its members; (b) acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of law; (c) a violation of Arizona Revised Statutes Section 10-1026; (d) any transaction from which the Governor derived an improper personal benefit; or (e) a violation of Arizona Revised Statutes Section 10-1097.

Any repeal or modification of the foregoing paragraph shall not adversely affect any right or protection of a Governor of the corporation existing hereunder with respect to any act or omission occurring prior to or at the time of such repeal or modification.
ARTICLE X

INDEMNIFICATION

The corporation shall have power to indemnify members, officers, members of the Board of Governors, employees, and agents to the fullest extent permitted by law.

The corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of the fact that he or she is or was a member, officer, member of the Board of Governors, employee or agent of the corporation or is or was serving at the request of the corporation as a member, director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorney fees, and against judgments, fines and amounts paid in settlement or compromise actually and reasonably incurred in connection with such action, suit or proceeding if they acted, or failed to act, in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful.
ARTICLE XI
AMENDMENTS

The Board of Governors reserves the right to amend, alter, or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed or permitted by law.

ARTICLE XII
DISSOLUTION

If the corporation is at any time dissolved, its assets shall be distributed to an organization(s), as designated by the Board of Governors, which is then exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986.

IN WITNESS WHEREOF, the undersigned incorporators do make and file these Articles of Incorporation this 20th day of November, 1987.

S.D. Lutey

Bruce Hamilton
BYLAWS
OF THE
STATE BAR OF ARIZONA

ARTICLE I
DEFINITIONS

The following definitions shall apply in the interpretation of these bylaws:

1.01. "Corporation" or "State Bar" means the State Bar of Arizona, as created by Rule 31 of the Rules of the Supreme Court of Arizona.

1.02. "Board" shall mean the Board of Governors of the State Bar of Arizona.

1.03. "Member" shall mean every person licensed to practice law within the State of Arizona.

1.04. "Governor" shall designate a member of the governing body of the State Bar of Arizona.

1.05. "District" shall mean the district referred to in Rule 31(e) of the Rules of the Supreme Court of Arizona.

1.06. "Rule" shall mean the Rules of the Supreme Court of Arizona, which Rules are incorporated herein by this reference.

1.07. "Annual Meeting" shall mean the annual state bar convention in its entirety.

ARTICLE II

SENIORITY OF ARTICLES OF INCORPORATION AND RULES

2.01. Seniority of the Articles of Incorporation. The State Bar's Articles of Incorporation and amendments thereto as are on file with the Arizona Corporation Commission shall, in all respects, be considered senior and superior to these bylaws, with any inconsistency to be resolved in favor of the Articles of Incorporation, and these bylaws are deemed to be automatically amended from time to time to eliminate any inconsistency which may then exist.

2.02. Seniority of Rules. The rules shall in all respects be considered senior and superior to these bylaws, with any inconsistency to be resolved in favor of the rules.
ARTICLE III
CORPORATE OFFICES

3.01. Known Place of Business. The primary address of the known place of business of the corporation is 4201 N. 24th Street, Suite 200, Phoenix, Arizona 85016. The corporation may have such other offices, either within or without the State of Arizona, as the Board of Governors may designate or as the business of the State Bar may require from time to time.

3.02. Change Thereof. The Board of Governors may from time to time change the Corporation's known place of business or its statutory agent by filing a statement with the Arizona Corporation Commission pursuant to applicable law.

ARTICLE IV
POWERS

4.01. Sections. The Board of Governors shall create such sections within the State Bar as shall be essential to the proper conduct of the affairs of the corporation and its relations with the American Bar Association.

4.02. Committees. The President of the State Bar shall, with the approval of the Board of Governors, at the first meeting after the annual meeting, appoint such standing committees as shall be deemed advisable.

4.03. Special Committees. The President of the State Bar may, from time to time, with the approval of the Board of Governors, appoint such special committees as he or she may deem necessary or expedient.

4.04. Reports of Sections and Committees. All committees and sections shall present to the Board of Governors such reports as may be requested by the President or the Board.

4.05. Cooperation with County and Local Bar Associations. The Board of Governors shall cooperate with County or local Bar Associations in the fulfillment of the purposes of the State Bar.

4.06. Organization of Local Bar Associations. The Board of Governors shall encourage and foster the organization of local bar associations.

4.07. Annual Program. The Board of Governors shall provide a suitable program for each annual meeting of the State Bar to accomplish its stated objects and purposes.

4.08. Reports to Annual Meetings. Annual written reports of all sections and committees, with their recommendations, shall be presented to the Executive Director of the State Bar at least thirty (30) days prior to the annual meeting.
ARTICLE V
MEMBERSHIP

5.01. Register of Members. The Executive Director shall keep a register of members of the State Bar which register shall contain such matters of information, including areas of specialization, as the Board of Governors may determine to be proper and desirable.

ARTICLE VI
RESIGNATION FROM THE STATE BAR

6.01. Resignation. Members in good standing who wish to resign from membership in the State Bar may do so, and such resignation shall become effective when filed in the office of the State Bar, accepted by the Board and approved by the Arizona Supreme Court. A resignation will not be accepted if there are disciplinary proceedings pending against the member. After acceptance by the Board, such member shall be known as a "resigned member in good standing." Such resignation shall not be a bar to institution of subsequent discipline proceedings for any conduct of the resigned member occurring prior to his or her resignation. In the event such resigned member thereafter is disbarred, suspended or censured, the said member's status shall be changed from "resigned member in good standing" to that of a person so disciplined.

6.02. Reinstatement. Resigned Members in good standing may be reinstated to membership in the same manner and on the same terms as Members suspended for nonpayment of membership dues as provided by the Rules.

6.03. Application to Resign. A Member wishing to resign shall apply on a form approved by the Board of Governors and shall furnish such information as is required upon such form and shall make such allegations, under oath, as is required on such form.

ARTICLE VII
NOMINATION AND ELECTION OF GOVERNORS

7.01. Procedures. The procedure for nomination and election of members of the Board of Governors shall be as provided in the Rules.

7.02. Voting. In Districts electing more than one (1) Governor, Members may vote for any number of candidates equal to or less than the total number of Governors to be elected from the District, but Members shall not cast more than one (1) vote for an individual candidate. Failure to comply with this Section shall void the Member's ballot.

7.03. Tie Vote. In the event of a tie vote, the Board shall determine by lot and in the presence of the candidates which candidate shall be declared elected.
7.04. Assumption of Position. Once the Board of Governors completes the canvass of ballots and certifies the results, those Governors declared elected shall assume their position on the Board of Governors at the conclusion of the annual meeting.

7.05. Vacancies. Vacancies on the Board of Governors shall be filled by the remaining Members of said Board as provided by the Rules.

ARTICLE VIII

OFFICERS

8.01. Officers--General. The officers of the State Bar shall be a President, a President-Elect, two (2) Vice-Presidents and a Secretary/Treasurer.

8.02. Duties of Officers:

(A) President. The President shall, in addition to the duties prescribed by the Rules of the Supreme Court of Arizona, appoint and announce, as soon as possible after each annual meeting of the State Bar, the membership of all committees for the ensuing year, the appointment of which shall not have been otherwise provided for. The President shall be a member, ex-officio, of every standing committee, special committee and section. He or she shall appoint each Board member who is not an officer, as an ex-officio member to at least one (1) standing committee or special committee and those Board members shall serve as the liaison between the committee(s) and the Board of Governors. The President shall act as parliamentarian for all meetings of the Board of Governors. The immediate past President shall be an ex-officio member of the Board of Governors and shall have such duties as may be assigned to him or her by the President and the Board, but shall have no vote unless he or she is serving as an elected member of the Board.

(B) President-Elect. The President-Elect shall act as the coordinator of all Board members who serve as liaisons to all committees of the State Bar and, in addition to duties prescribed by the Rules, perform the duties of the President during any absence or disability of the President.

(C) First Vice President. The First Vice President shall, pursuant to the Rules, review bar counsel's recommended disposition of disciplinary matters and perform such other duties as are assigned to him or her by the President. He or she may designate one (1) or more persons from a roster established by the Board of Governors consisting of active members of the State Bar to assist in the performance of the disciplinary function.

(D) Second Vice President. The Second Vice President shall serve as a member of the Long-Range Planning Committee and as an ex-officio
member of the Continuing Legal Education Committee, and shall perform all duties assigned to him or her by the President.

(E) Secretary/Treasurer. The Secretary/Treasurer shall keep the minutes of all meetings of the Board of Governors and all unanimous written consents of the Board of Governors, and shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by applicable law. The Secretary/Treasurer shall receive, collect, safely keep, and, under the direction of the Board of Governors, the Secretary/Treasurer, Executive Director, or staff of the Staff Bar disburse all funds and render reports of receipts and disbursements as required. The Secretary/Treasurer shall serve as the Vice Chairman of both the Finance and Audit committees. The Secretary/Treasurer shall further be custodian of all corporate records, and, in general, perform all duties incident to the office.

8.03. Election of Officers. At the regular meeting of the Board of Governors, held at the start of the annual meeting, the election of officers shall occur. As provided by the Rules, the President-Elect shall automatically become President and the First-Vice President shall automatically become President-Elect at the conclusion of the annual meeting. The Vice Presidents and Secretary/Treasurer shall be elected in order by nomination and vote of the Board of Governors. Contested elections shall be determined by secret ballot. The ballots shall be counted by the Secretary/Treasurer and the Executive Director. The Secretary/Treasurer shall not count the ballots if he or she has nominated one of the candidates. The next officer who has not nominated a candidate would then count the votes. The winner, but not the specific vote count, shall be announced by the President. In the event of a tie vote, further discussion will be invited and if three (3) consecutive ballots result in a tie vote, the Board of Governors shall determine by lot and in the presence of the candidates which candidate shall be declared elected to the office in question. In the event that there are more than two nominees, and no single candidate obtains a majority vote in three consecutive ballots and the vote is not tied, the nominee receiving the lowest number of votes on the third ballot shall be removed from the next ballot. Thereafter, the balloting shall proceed until one candidate obtains a majority or there are three consecutive ballots resulting in a tie, thereby resulting in the election being determined by lot as provided above.

8.04. Removal; Delegation of Duties. The Board of Governors may, whenever in its judgment and discretion, the best interests of the State Bar shall be served thereby, remove any officer of the corporation or temporarily delegate his or her powers, duties and responsibilities to any other officer or to any other member of the Board of Governors upon a majority vote of the Board of Governors cast in favor of such officers removal at a meeting called for such purpose, as provided by the Rules.

8.05. Scope and Operations Committee and Finance and Investment Committee.

(A) Scope and Operations Committee. The five (5) officers listed above and any other Board member appointed by the President shall constitute the Scope and Operations Committee. The Scope and Operations Committee may convene in advance of the regular Board meeting to consider making
recommendations to the full Board and shall have the authority to act on behalf of the Board between meetings of the full Board.

(B) The Finance and Investment Committee may be appointed by the President and shall work with the Executive Director and Accounting Staff in monitoring income and expenditures and in maximizing revenue from prudent investments.

(C) Budget Review. The Scope and Operations Committee shall meet annually at the call of the President to review the proposed budget prior to its submission to the Board.

8.06. Extension of President-Elect's Term as a Governor. If a member of the Board of Governors shall be elected President-Elect at the commencement of the second year of his or her term, the same shall automatically be extended for the period during which he or she serves as President, not to exceed one (1) year. In such event, the members from the District in which the President-Elect resides shall elect one (1) less member to the Board of Governors than said District would be otherwise entitled to under these Bylaws and at the end of the term of said President, a special election shall be held in the President's District to elect a member of the Board who shall serve for the second year of the term.

8.07. Vacancies. If the office of any officer becomes vacant by reason of his or her death, resignation, disqualification, removal or otherwise, the Board of Governors shall choose a successor to hold office for the unexpired term at a meeting called for such purpose.

ARTICLE IX

EXECUTIVE DIRECTOR

9.01. Selection. The Board of Governors shall employ an Executive Director whose compensation shall be fixed by the Board.

9.02. Duties. The Executive Director shall perform such duties as may be directed by the Board of Governors.

ARTICLE X

MEETINGS OF THE STATE BAR

10.01. Annual Meeting. The annual meeting of the State Bar shall be held at such time and place as shall be fixed by the Board of Governors.

10.02. Notice of Annual Meeting. Notice of the annual meeting shall state the time and place for holding of such meeting and shall be given, in writing, to the Members of the State Bar by mail, postage prepaid, addressed to the Members' last post office address as it appears on the books and records of the corporation, at least fifteen (15) days before said meeting. Any
Member may waive call or notice of any annual meeting (and any adjournment thereof) at any time before, during or after it is held. Attendance of a Member at any such meeting in person will automatically evidence his or her waiver of call and notice of such meeting (and any adjournment thereof) unless he or she is attending the meeting for the express purpose of objecting to the transaction of business because the meeting has not been properly called or noticed.

10.03. Special Meetings. Special meetings of the State Bar shall be called by the President upon a majority vote of the Board of Governors present at any meeting of the Board. Except by unanimous consent of the Members present, special meetings may consider only such matters as are set forth in the call of the meeting.

10.04. Notice of Special Meetings. Notice of a special meeting of the State Bar shall state the time and place of the holding of such meeting and shall be given, in writing, to the Members of the State Bar by mail, postage prepaid, addressed to the Members' last post office address as it appears on the books and records of the corporation, at least ten (10) days prior to said meeting. Said notice shall state generally the matters to be considered at said meeting and shall be issued over the name of the President of the State Bar. Any Member may waive call or notice of any special meeting (and any adjournment thereof) at any time before, during or after it is held. Attendance of a Member at any such meeting in person will automatically evidence his or her waiver of call and notice of such meeting (and any adjournment thereof) unless he or she is attending the meeting for the express purpose of objecting to the transaction of business because the meeting has not been properly called or noticed.

10.05. Parliamentary Rules. Proceedings at the annual meeting and any special meetings of the State Bar shall be governed by Roberts' Rules of Order.

ARTICLE XI

MEETINGS OF THE BOARD OF GOVERNORS

11.01. Regular Board Meetings. There shall be a minimum of nine (9) regular meetings of the Board of Governors:

(A) The last regular meeting shall be held immediately prior to the annual meeting of the State Bar at a time and place to be designated by the Board.

(B) The Board of Governors shall meet at a time and place to be established each year by the Board of Governors.

11.02. Special Board Meetings. The President, in his or her judgment and discretion, may call special meetings of the Board of Governors, or upon written request of three (3) Governors filed with the Executive Director, the President shall call a special meeting of the Board of Governors. If the President shall, for any reason, fail or refuse for a period of five (5) days after request therefore to call a special meeting, the Executive Director or some other person designated by the three (3) Governors joining in the request may call the meeting. The
date fixed for said meeting shall not be less than five (5) nor more than ten (10) days from the date of said call.

11.03. Notice of Special Board Meetings. Notice of a special meeting of the Board of Governors shall be signed by the Executive Director or by the person designated by the Governors in their call. The notice shall set forth the day, place and time of the meeting and its purpose. The business to be transacted at any special meeting shall be confined to the purpose or purposes stated in the notice thereof. Any Member may waive call or notice of any special meeting (and any adjournment thereof) at any time before, during or after it is held. Attendance of a Member at any such meeting in person will automatically evidence his or her waiver of call and notice of such meeting (and any adjournment thereof) unless he or she is attending the meeting for the express purpose of objecting to the transaction of business because the meeting has not been properly called or noticed.

11.04. Quorum. A quorum for the transaction of business at any regular meeting, special meeting or adjourned meeting of the Board of Governors shall consist of forty percent (40%) of those then in office and entitled to vote.

11.05. Voting. Any matter submitted to a meeting of the Board of Governors shall be resolved by a majority of the votes cast, with each Governor except the President voting thereon. In case of a tie the President shall have the deciding vote.

11.06. Proxy Voting. Voting by proxy shall not be permitted at any meeting of the Board of Governors.

11.07. Action By Governors Without A Meeting. Any action required or permitted to be taken at a meeting of the Board of Governors may be taken without a meeting if all members of the Board of Governors consent thereto in writing. Such consent shall have the same effect as a unanimous vote of the Governors of the State Bar at a meeting duly called and noticed.

11.08. Presumption of Assent. A Governor of the corporation who is present at a meeting of the Board of Governors at which action is taken on any matter shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless he or she files a written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or afterwards if such dissent is delivered by registered or certified mail to the President of the State Bar within two (2) business days after the adjournment of the meeting. A right to dissent shall not be available to a Governor who voted in favor of the action.

11.09. Board Size. The number of Governors shall be established by the Supreme Court of Arizona as set forth in the Rules.
ARTICLE XII

OFFICE OF THE STATE BAR

12.01. The office of the State Bar of Arizona shall be maintained in the City of Phoenix, Arizona.

ARTICLE XIII

POLITICAL AND IDEOLOGICAL ACTIVITIES

13.01. Political and Ideological Activities Generally. The State Bar shall not, except as provided herein, use the dues of its members to fund activities of a political or ideological nature that are not reasonably related to:

(A) the regulation and discipline of attorneys;

(B) matters relating to the improvement of the functioning of the justice system;

(C) increasing the availability of legal services to the public;

(D) regulation of attorney trust accounts;

(E) the education, ethics, competence, integrity, and regulation of the legal profession; and

(F) any other activity authorized by law.

13.02. Activities Intended to Influence the Legislature.

(A) The State Bar may use the mandatory dues of all members to review and analyze pending legislation.

(B) The State Bar may use the mandatory dues of all members to provide content-neutral assistance to legislators, provided that:

(1) a legislator requests the assistance;

(2) the Board or its designee approves the request in a letter to the legislator stating that providing technical assistance does not imply either support for or opposition to the legislation; and

(3) the Board or its designee annually prepares and publishes in the Arizona Attorney a report summarizing all technical assistance provided during the preceding year.
(C) No other activities intended to influence legislation may be funded with members' mandatory dues, unless the legislation in question is limited to matters within the scope of permissible activities as described in 13.01.

13.03. Challenges Regarding State Bar Activities

(A) A member who claims that the State Bar is funding political or ideological activities in violation of this article may submit a written challenge to the Executive Director of the State Bar.

(1) A written challenge must be made individually and shall include the challenger's name, address, telephone number and bar number. It must also identify the challenged activity and be signed by the member.

(2) Written challenges must be received at the State Bar office in Phoenix on or before February 1 of the year immediately following the calendar year in which the challenged activity occurred.

(3) Failure to submit a written challenge by the deadline shall constitute a waiver.

(4) Submission of a challenge does not relieve a member from timely paying his or her dues in full.

(B) After a written challenge has been received, the Board or its designee shall promptly determine the pro rata amount of the member's dues used to fund the challenged activity and shall place that amount in an escrow account pending determination of the merits of the challenge.

(C) Upon the expiration of the deadline for receipt of written challenges to the same activity, the Board or its designee shall decide whether to give a pro rata refund to the challengers or to refer the challenge to arbitration. The Board may elect to have all challenges consolidated in a single arbitration proceeding.

(D) Whenever the Board elects to refer a challenge to arbitration, an impartial arbitrator shall be selected by mutual agreement of all parties within 20 days after the Board gives notice of its election to arbitrate. If all parties cannot agree upon the selection of an arbitrator, the President of the State Bar shall apply to the Chief Judge of the United States District Court for the District of Arizona, who shall select an impartial arbitrator as soon as practicable. Absent a challenge for cause, the selection of an arbitrator by the Chief Judge shall be final. The impartial arbitrator shall determine whether the funding of a challenged activity complies with the limitations of this article. If not, the arbitrator shall determine the pro rata share of dues that is to be refunded, plus the actual interest rate earned in the escrow account from the date of payment of those dues to the State Bar.
(E) The State Bar has the burden of proving by a preponderance of the evidence that the challenged activity is permitted by this article.

(F) The necessary cost of the arbitration shall be paid by the State Bar and may be paid from mandatory dues.

(G) The decision of the arbitrator shall be final on the question whether the challenged activity violates the limitations on the State Bar's political and ideological activities as set forth in this article and any pro rata share of dues to be refunded.

ARTICLE XIV

AMENDMENTS

14.01. These Bylaws may be amended by the Board of Governors at any regular meeting thereof. No amendment shall be proposed or considered except after thirty (30) days advance written notice of the proposed amendment, mailed, postage prepaid, to each Board member at his or her last post office address as it appears on the books and records of the State Bar. Amendments to these bylaws may only be adopted by the affirmative vote of a quorum of the Board of Governors.


Amended 09/15/95: Article 8.03. Election of Officers. (ballot tabulation process amended).

Amended 04/19/02: Article 8.03. Election of Officers. (automatic ascension of First Vice President to President-Elect position; process for ballot tabulation); Article 11.04. Quorum. (Board quorum defined as “40 percent of those entitled to vote”).

Amended 11/30/07: Article 3.01. Known Place of Business (required an address change as a result of the move from the downtown location on Monroe Street to the current 24th Street address); Article 8.02. Secretary/Treasurer (added new duties of this officer as result of the June 14, 2006 Finance Policy manual, which made the Secretary/Treasurer the Vice Chairman of both the Finance and Audit committees); Article 11.01. (reduces the minimum number of meetings from 11 to 9 and allows the Board to set its last regular meeting at a time and place to be designated by the Board).
Rule 32. Organization of State Bar of Arizona

(a) Organization

1. Establishment of state bar. In order to advance the administration of justice according to law, to aid the courts in carrying on the administration of justice; to provide for the regulation and discipline of persons engaged in the practice of law; to foster and maintain on the part of those engaged in the practice of law high ideals of integrity, learning, competence and public service, and high standards of conduct; to provide a forum for the discussion of subjects pertaining to the practice of law, the science of jurisprudence, and law reform; to carry on a continuing program of legal research in technical fields of substantive law, practice and procedure, and to make reports and recommendations thereon; to encourage practices that will advance and improve the honor and dignity of the legal profession; and to the end that the responsibility of the legal profession and the individual members thereof may be more effectively and efficiently discharged in the public interest, and acting within the powers vested in it by the constitution of this state and its inherent power over members of the legal profession as officers of the court, the Supreme Court of Arizona does hereby perpetuate, create and continue under the direction and control of this court an organization known as the State Bar of Arizona, such organization which may be a non-profit corporation under Chapter 5 of Title 10 of the Arizona Revised Statutes, and all persons now or hereafter licensed in this state to engage in the practice of law shall be members of the State Bar of Arizona in accordance with the rules of this court. The State Bar of Arizona may sue and be sued, may enter into contracts and acquire, hold, encumber, dispose of and deal in and with real and personal property, and promote and further the aims as set forth herein and hereinafter in these rules.

2. Precedence of rules. The qualifications of attorneys at law for admission to practice before the courts of this state, the duties, obligations and certain of the grounds for discipline of members, and the method of establishing such grounds, subject to the right of this court to discipline a member when it is satisfied that such member is not mentally or morally qualified to practice law even though none of the specific grounds for discipline set forth in these rules exist, shall be as prescribed in these rules pertaining to admission and discipline of attorneys.

(b) Definitions. Unless the context otherwise requires, the following definitions shall apply to the interpretation of these rules relating to admission, discipline, disability and reinstatement of lawyers:
1. "Board" means Board of Governors of the State Bar of Arizona.


3. "Court" means Supreme Court of Arizona.

4. "Discipline" means those sanctions and limitations on members and others and the practice of law provided in these rules. Discipline is distinct from diversion or disability inactive status, but the term may include that status where the context so requires.

5. "Discipline proceeding" and "disability proceeding" mean any action involving a respondent pursuant to the rules relating thereto. Further definitions applying to such proceedings are stated in the rule on disciplinary jurisdiction.

6. "Member" means member of the state bar, the classifications of which shall be as set forth in this rule.

7. "Non-member" means a person licensed to practice law in a state or possession of the United States or a non-lawyer permitted to appear in such capacity, but who is not a member of the state bar.

8. "Respondent" means any person subject to the jurisdiction of the court against whom a charge is received for violation of these rules.

9. "State bar" means the State Bar of Arizona created by rule of this court.

(c) Membership.

1. Classes of Members. Members of the state bar shall be divided into five classes: active, inactive, retired, suspended, and judicial. Disbarred or resigned persons are not members of the bar.

2. Active Members. Every person licensed to practice law in this state is an active member except for persons who are inactive, retired, suspended, or judicial members.

3. Admission and Fees. All persons admitted to practice in accordance with the rules of this court shall, by that fact, become active members of the state bar. Upon admission to the state bar, the applicant shall pay a fee as required by the supreme court, which shall include the annual membership fee for active members of the state bar. If an applicant is admitted to the state bar on or after July 1 in any year, the annual membership fee payable upon admission shall be reduced by one half. Upon admission to the state bar, an applicant shall also, in open court, take and subscribe an oath to support the constitution of the United States and the constitution and laws of the State of Arizona in the form provided by the supreme court. All members shall provide to the state bar office a current street address, e-mail address, telephone number, any other post office address the member may
use, and the name of the bar of any other jurisdiction to which the member may be
admitted. Any change in this information shall be reported to the state bar within thirty
days of its effective date. The state bar office shall forward to the court, on a quarterly
basis, a current list of membership of the bar.

4. **Inactive Members.** Inactive members shall be those who have, as provided in these
rules, been transferred to inactive status. An active member who is not engaged in practice
in Arizona may be transferred to inactive status upon written request to the executive
director. Inactive members shall not practice law in Arizona, or hold office in the State Bar
or vote in State Bar elections. On application and payment of the membership fee and any
delinquent fees that may be due under Rule 45(d), they may become active members.
Inactive members shall have such other privileges, not inconsistent with these rules, as the
Board may provide. Incapacitated members may be transferred to disability inactive status
and returned to active status as provided in these rules.

5. **Retired Members.** Retired members shall be those who have, as provided in these rules,
been transferred to retired status. An active, inactive or judicial member who is not
engaged in active practice in any state, district, or territory of the United States may be
transferred to retired status upon written request to the executive director. Retired
members shall not hold State Bar office or vote in State Bar elections. Retired members
shall not practice law in any state, district, or territory of the United States. Retired
members may provide volunteer legal services to approved legal services organizations as
defined in Rule 38(e) of these rules, except that retired members need not have engaged in
the active practice of law within the last five years as required in Rule 38(e)(2)(B) or
Rule 38(e)(3) (A). Retired members may return to active status subject to the requirements
imposed on inactive members who return to active status, as set forth in subsection (c)(4)
of this rule. Retired members shall have other privileges, not inconsistent with these rules,
as the Board may provide. Incapacitated members may be transferred to disability inactive
status and return to active status as provided in these rules.

6. **Judicial Members.** Judicial members shall be justices of the Supreme Court of Arizona,
judges of the Court of Appeals and Superior Court of Arizona and of the United States
District Court for the District of Arizona. Judicial membership status shall likewise be
accorded to members of the state bar who are full-time commissioners, city or municipal
court judges, judges pro tempore or justices of the peace in the state of Arizona not
engaged in the practice of law, or justices or judges of other courts of record of the United
States or of the several states. Judicial members shall hold such classification only so long
as they hold the offices or occupations entitling them to such membership. Judicial
members shall be entitled to vote but shall not be entitled to hold office. Judicial members
shall have such privileges, not inconsistent with the rules of this court, as the board
provides. A judicial member who retires or resigns from the bench shall become an active
member subject to all provisions of these rules.

7. **Membership Fees.** An annual membership fee for active members, inactive members,
retired members and judicial members shall be established by the board with the consent of
this court and shall be payable on or before February 1 of each year. No annual fee shall be
established for, or assessed to, active members who have been admitted to practice in
Arizona before January 1, 2009, and have attained the age of 70 before that date. The
annual fee shall be waived for members on disability inactive status pursuant to Rule 63.
Upon application, the Board of Governors may waive the dues of any other member for
reasons of personal hardship.

8. **Computation of fee.** The annual membership fee shall be composed of an amount for the
operation of the activities of the state bar and an amount for funding the Client Protection
Fund, each of which amounts shall be stated and accounted for separately. Each active and inactive member, who is not exempt, shall pay the annual Fund assessment set by the court, to the state bar together with the annual membership fee, and the state bar shall transfer the fund assessment to the trust established for the administration of the Client Protection Fund.

9. Allocation of fee. Upon payment of the membership fee, each member shall receive a bar card issued by the board evidencing payment. All fees shall be paid into the treasury of the state bar and, when so paid, shall become part of its funds, except that portion of the fees representing the amount for the funding of the Client Protection Fund shall be paid into the trust established for the administration of the Client Protection Fund.

10. Delinquent Fees. A fee not paid by the time it becomes due shall be deemed delinquent. An annual delinquency fee for active members, inactive members, retired members and judicial members shall be established by the board with the consent of this court and shall be paid in addition to the annual membership fee if such fee is not paid on or before February 1. A member who fails to pay a fee within two months after written notice of delinquency shall be summarily suspended by the board from membership to the state bar, upon motion of the state bar pursuant to Rule 62, but may be reinstated in accordance with these rules.

11. Resignation.

A. Members in good standing who wish to resign from membership in the state bar may do so, and such resignation shall become effective when filed in the office of the state bar, accepted by the board, and approved by this court. After the resignation is approved by this court, such person's status shall be changed to "resigned in good standing."

B. Such resignation shall not be a bar to the institution of subsequent discipline proceedings for any conduct of the resigned person occurring prior to the resignation. In the event such resigned person thereafter is disbarred, suspended or censured, the resigned person's status shall be changed from "resigned in good standing" to that of a person so disciplined. Such resignation shall not be accepted if there is a disciplinary charge or complaint pending against the member.

C. Resigned persons in good standing may be reinstated to membership in the same manner as members summarily suspended under Rule 62 of these rules. Reinstatement of resigned persons shall be governed by the procedures set forth in Rule 64(f) and shall require:

i. payment of fees, assessments, and administrative costs the resigned person would have been required to pay;

ii. proof of completion of any hours of continuing legal education activity the resigned person would have been required to take, had the applicant remained a member; and

iii. proof that the resigned person possesses the character and fitness to resume practicing law in this jurisdiction.

D. A member wishing to resign shall apply on a form approved by the board and shall furnish such information as is required upon such form and shall make such allegations, under oath, as are required on such form.


A. Each active member of the State Bar of Arizona shall certify to the State Bar on the annual dues statement or in such other form as may be prescribed by the State Bar on or
before February 1 of each year: (1) whether the lawyer is engaged in the private practice of law; and (2) if engaged in the private practice of law, whether the lawyer is currently covered by professional liability insurance. Each active member who reports being covered by professional liability insurance shall notify the State Bar of Arizona in writing within 30 days if the insurance policy providing coverage lapses, is no longer in effect, or terminates for any reason. A lawyer who acquires insurance after filing the annual dues statement or such other prescribed disclosure document with the State Bar of Arizona may advise the Bar as to the change of this status in coverage.

B. The State Bar of Arizona shall make the information submitted by active members pursuant to this rule available to the public on its website as soon as practicable after receiving the information.

C. Any active member of the State Bar of Arizona who fails to comply with this rule in a timely fashion may, on motion of the State Bar pursuant to Rule 62, be summarily suspended from the practice of law until such time as the lawyer complies. Supplying false information in complying with the requirements of this rule shall subject the lawyer to appropriate disciplinary action.

(d) Powers of Board. The state bar shall be governed by the Board of Governors, which shall have the powers and duties prescribed by this court. The board shall:

1. Fix and collect, as provided in these rules, fees approved by the supreme court, which shall be paid into the treasury of the state bar.

2. Promote and aid in the advancement of the science of jurisprudence and improvement of the administration of justice.

3. Make appropriations and disbursements from funds of the state bar to pay necessary expenses for carrying out its functions.

4. Formulate and declare rules and regulations not inconsistent with these rules, necessary or expedient to enforce these rules and by rule fix the time and place of annual meetings of the state bar and the manner of calling special meetings thereof, and determine what number shall constitute a quorum of the state bar.

5. Appoint such committees, officers and employees it deems necessary or proper and prescribe their duties. Compensation of employees shall be as determined by the board.

6. Appoint from time to time one or more executive committees composed of members of the board and vest in the executive committees any powers and duties granted to the board as the board may determine.

7. Prepare an annual statement showing receipts and expenditures of the state bar for the twelve preceding months. The statement shall be promptly certified by the treasurer and a certified public accountant, and transmitted to the chief justice of this court.

8. Create and maintain the Client Protection Fund, as required by this court and authorized
by the membership of the state bar April 9, 1960, said fund to exist and be maintained as a separate entity from the state bar in the form of the Declaration of Trust established January 7, 1961, as subsequently amended and as it may be further amended from time to time by the board. The trust shall be governed by a Board of Trustees appointed by the Board of Governors in accordance with the terms of the trust and the trustees shall govern and administer the Fund pursuant to the provisions of the trust as amended from time to time by the board and in accordance with such other procedural rules as may be approved by the Board of Governors.

9. Have the power to form a non-profit corporation under Chapter 5 of Title 10 of the Arizona Revised Statutes upon a majority vote of the Board of Governors.

10. Implement and administer mandatory continuing legal education in accordance with Rule 45.

(e) Composition of Board.

1. For the purposes of these rules the state is divided into eight bar districts, numbered one through eight as follows:

   A. Mohave, Navajo, Coconino and Apache counties shall be district 1.
   B. Yavapai county shall be district 2.
   C. Gila, Graham and Greenlee counties shall be district 3.
   D. Cochise county shall be district 4.
   E. Pima and Santa Cruz counties shall be district 5.
   F. Maricopa county shall be district 6.
   G. La Paz and Yuma counties shall be district 7.
   H. Pinal county shall be district 8.

2. There shall be a Board of Governors of the state bar which shall consist of twenty-six (26) members, all authorized to vote. Four (4) members of the Board of Governors shall be designated as "public member." The public members shall not be members of the state bar, and shall not have, other than as consumers, a financial interest in the practice of law. Public members shall be appointed by the Board of Governors for terms of three (3) years. No more than two (2) public members may be from the same district. Public members may be reappointed for one additional term of three (3) years. No individual may serve more than six (6) years as a public member of the Board of Governors. There shall be three (3) at-large members on the Board of Governors appointed by the Supreme Court for terms of three (3) years. Nineteen (19) members of the Board of Governors shall be active members in good standing of the state bar designated as "elected members" and elected as follows:

   A. From Bar District 1, one member.
   B. From Bar District 2, one member.
   C. From Bar District 3, one member.
   D. From Bar District 4, one member.
   E. From Bar District 5, three members.
   F. From Bar District 6, nine members.
G. From Bar District 7, one member.
H. From Bar District 8, one member.
I. From the Young Lawyers Section of the state bar, its President.

3. Beginning with the 2004 annual meeting, and every three (3) years thereafter, the Governors shall be elected from Bar Districts 1, 3, 4, 5 and 7 for terms of three (3) years. Beginning with the 2005 annual meeting and every three (3) years thereafter, the Governors shall be elected from Bar Districts 2, 6 and 8 for terms of three (3) years. Nominations for Governors shall be by petition signed by at least five (5) active members, and each candidate named in a petition and all members signing such petition shall have their principal place of business in the district the candidate is nominated to represent. Only members who have been admitted to practice before the Arizona Supreme Court for not less than five (5) years are eligible to be elected members of the Board of Governors. The election shall be by ballot. The ballots shall be mailed to those entitled to vote at least thirty (30) days prior to the date of canvassing the ballots, shall be returned by mail or through electronic voting means and shall be canvassed at the ensuing annual meeting. In other respects the election shall be as the Board of Governors by rule directs. Only active and judicial members shall be entitled to vote for the Governor or Governors of the Bar District in which such active and judicial members respectively have their principal place of business.

4. The President of the Young Lawyers Section shall be elected by a mail ballot to all members of the Section, such ballot announcing to all members of the Section that the President of the Young Lawyers Section will hold a voting position on the Board of Governors. The election of the President of the Young Lawyers Section shall be on a yearly basis and shall be completed within ninety days of the annual meeting.

5. Elected members of the board of governors shall hold office until their successors are elected and qualified. Should a member of the Board move his or her principal place of business from the district he or she represents, his or her seat shall be declared vacant. A vacancy among the elected members of the Board of Governors shall be filled by the remaining members of the Board. A vacancy in a public member position shall be filled by the Board of Governors. A vacancy in an at-large member position shall be filled by the Supreme Court.

(f) Officers of the State Bar.

1. The officers of the state bar shall be a president, a president-elect, two vice-presidents, and a secretary/treasurer.

2. The term for the office of president shall expire at the conclusion of the annual meeting, and the president-elect whose term expired at the same annual meeting shall automatically become the president and assume the duties of such office. The first vice-president, whose term expired at the same annual meeting, shall automatically become the president-elect and assume the duties of such office.

3. The first and second vice-presidents and secretary/treasurer shall be elected from its membership by the board at the annual meetings. Such newly elected officers shall assume the duties of their respective offices at the conclusion of the annual meeting at which they are elected.
4. The officers of the state bar shall continue in office until their successors are elected and qualified.

5. An officer may be removed from his office by the vote of two-thirds or more of the members of the board of governors cast in favor of his removal at a meeting called for such purpose.

6. A vacancy in any office caused other than by expiration of a term may be filled by the board of governors at a meeting called for such purpose.

7. The president shall preside at all meetings of the state bar and the board, and if absent or unable to act, the president-elect or one of the vice-presidents shall preside. Additional duties of the president, president-elect, vice-presidents and the secretary/treasurer may be prescribed by the board.

8. No public member shall hold office.

(g) Annual meeting. Annual meetings of the state bar shall be held at times and places designated by the board. At the annual meeting reports of the proceedings of the board since the last annual meeting, reports of other officers and committees and recommendations of the board shall be received. Matters of interest pertaining to the state bar and the administration of justice may be considered and acted upon. Special meetings of the state bar may be held at such times and places as provided by the board.

(h) Administration of rules. Examination and admission of members shall be administered by the committee on examinations and the committee on character and fitness, as provided in these rules. Discipline, disability, and reinstatement matters shall be administered by the disciplinary commission, as provided in these rules. All matters not otherwise specifically provided for shall be administered by the board.

(i) Filings made. Papers required to be filed with the state bar under these rules shall be filed at the office of the state bar in Phoenix, except as is otherwise set forth in these rules.

(j) Formal Requirements of Filings. All verbatim records and all copies of recommendations, documents, papers, pleadings, reports and records required or permitted by any provision of these rules relating to admission, discipline, disability, and reinstatement may be either typewritten, electronically prepared, or copied by a process that is clear, legible, or audible. An original is not required.

(k) Payment of Fees and Costs. The payment of all fees, costs, and expenses required under the provisions of these rules relating to membership, mandatory continuing legal education, discipline, disability, and reinstatement shall be made to the treasurer of the state bar. The payment of all fees, costs and expenses required under the provisions of these rules relating to application for admission to the practice of law, examinations and admission shall be made to the finance office of the administrative office of the courts.

(l) Expenses of Administration and Enforcement. The state bar shall pay all expenses incident to the administration and enforcement of these rules relating to membership,
mandatory continuing legal education, discipline, disability, and reinstatement of lawyers, except that costs and expenses shall be taxed against a respondent lawyer or applicant for readmission, as provided in these rules. The administrative office of the courts shall pay all expenses incident to administration and enforcement of these rules relating to application for admission to the practice of law, examinations and admission.

CREDIT(S)


HISTORICAL NOTES

[Note to Jan. 15, 2003 amendment:] Rules 32(a)(1) and (2) contain the unchanged text of former Rules 31(a)(1) and (a)(2) as of December 1, 2002.

[Note to Jan. 15, 2003 amendment:] The text of Rules 32(c)-(l) contain the unchanged text of former Rules 31(c)-(l) as of December 1, 2002.

17A A. R. S. Sup. Ct. Rules, Rule 32, AZ ST S CT Rule 32

Current with amendments received through 4/7/10
MEMO

TO: Pamela Treadwell-Rubin, President State Bar of Arizona
CC: Sections and Committees
FROM: John Furlong, General Counsel
DATE: March 31, 2004

RE: Understanding Keller, Its Progeny and the SBA’s Approach to Keller Including the Keller-Related Bylaws.

I. UNDERSTANDING KELLER

A. Introduction

The first step in understanding Keller v. The State Bar of California, 110 S.Ct. 2228 (1990), is to realize that this case applies only to “integrated bars,” i.e. an association of attorneys in which membership and dues are required as a condition of practicing law, created under state law to regulate the state’s legal profession1.

B. The Keller Holding

The U.S. Supreme Court ultimately held that:

The State Bar’s use of petitioners’ compulsory dues to finance political and ideological activities with which petitioners disagree violates their First Amendment right of free speech when such expenditures are not necessarily or reasonably incurred for the purpose of regulating the legal profession or improving the quality of legal services.

C. The Keller Facts

In Keller, Eddie Keller and twenty other members of the State Bar of California sued the State Bar of California claiming that certain of its activities -- activities to which they would not normally subscribe -- were being financed with members’ dues in violation of their First and Fourteenth Amendment rights to freedom of speech and association. Specifically, they were primarily concerned with the use of their dues to lobby the legislature and other governmental agencies, to file amicus curiae briefs in pending cases, to hold annual delegate conferences for

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1 The constitutionality of the integrated bar was first upheld over forty years ago in Lathrop v. Donahue, 367 US 820 (1961).
the debate of current issues and approval of resolutions, and to engage in other educational programs.\(^2\)

These twenty-one members sought relief in the form of an injunction restraining the State Bar of California from using mandatory dues to fund or advance certain political and ideological causes or beliefs.

**D. The Lower Courts’ Decisions**

The trial court granted summary judgment to the State Bar of California on the grounds that the bar was a “governmental agency” and, therefore, it was permitted under the First Amendment to engage in these types of activities.

The California Court of Appeals, however, reversed and instead determined that while the State Bar’s regulatory activities were similar to those of a governmental agency’s, its “administration-of-justice” functions were more akin to the activities of a labor union. The appellate court then relied on *Abood v. Detroit Board of Education*, 431 U.S. 209 (1977), which prohibited the use of union dues to support political or ideological union causes that were unrelated to collective bargaining activities. The appellate court specifically held that the “Bar’s activities could be financed from mandatory dues, only if the particular action in question served a State interest important enough to over come the interference with the dissenter’s First Amendment rights.” [Emphasis added.]

The Supreme Court of California reversed the Court of Appeals by a divided vote. The court reasoned that the State Bar of California was, in fact, a “governmental agency” and, therefore could use its dues for any purpose within the scope of its statutory authority. The court also felt that subjecting the State Bar activities to First Amendment scrutiny placed an extraordinary burden on its statutory mission to promote the administration of justice.

The United States Supreme Court granted certiorari to consider the members’ First Amendment claims.

**E. The U. S. Supreme Court’s Reasoning**

The Supreme Court reasoned that the State Bar of California was not a typical governmental agency but rather it was created to provide specialized professional advice to those with the ultimate responsibility of governing the legal profession. Because of certain key differences between the State Bar and other typical governmental agencies, the U.S. Supreme Court rejected the argument that the State Bar was not subject to the same constitutional rules with respect to

\(^2\) The detailed list included lobbying for or against state legislation (1) prohibiting state and local agency employers from requiring employees to take polygraph tests; (2) prohibiting possession of armor-piercing handgun ammunition; (3) creating an unlimited right of action to sue anybody causing air pollution; and (4) requesting Congress to refrain from enacting a guest worker program or from permitting the importation of workers from other countries. Petitioners’ complaint also alleges that the Conference of Delegates funded and sponsored by the State Bar of California endorsed a gun control initiative, disapproved statements of a United States senatorial candidate regarding court review of a victim’s bill of rights, endorsed a nuclear weapons freeze initiative, and opposed federal legislation limiting federal court jurisdiction over abortions, public school prayer and busing.
the use of compulsory dues as were labor unions. Basically, the Supreme Court felt much more comfortable in concluding that the State Bar was more like a union.

The Supreme Court then went on to apply the holding in *Abood* that a union could not expend a dissenting member’s dues for ideological activities not “germane” to the purpose for which compelled association was justified: collective bargaining. In applying *Abood* to the *Keller* facts, the Supreme Court said that “the compelled association and integrated bar is justified by the State’s interest in regulating the legal profession and improving the quality of legal services.” The court then held that the State Bar may constitutionally fund activities germane to those goals out of the mandatory dues of all members, but that “…it may not fund activities of an ideological nature, which fall outside of those areas of activity.”

[As an aside, it is very important to note, at this juncture, that the United States Supreme Court recognized “the difficult question…is to define the latter class of activities.”]

The Supreme Court then looked at the Railway Labor Act in *Ellis v. Railway Clerks*, 466 U.S. 435 (1984), in an attempt to develop a test and guidelines for determining permissible expenditures. Thus, the U.S. Supreme Court came up with the test that the guiding standard for the State Bar of California must be “whether the challenged expenditures are necessarily or reasonably incurred for the purpose of regulating the legal profession or ‘improving the quality of the legal service available to the people of the State.’”

When the Supreme Court analyzed the actual complaints of Eddie Keller and the other State Bar members, it specifically acknowledged the difficult decisions to be made and it only commented or ruled on those clear activities on the extreme ends of the spectrum:

Precisely where the line falls between those State Bar activities in which the officials and members of the Bar are acting essentially as professional advisors to those ultimately charged with the regulation of the legal profession on the one hand, and those activities having political or ideological coloration which are not reasonable related to the advancement of such goals, on the other will not always be easy to discern. But the extreme ends of the spectrum are clear: Compulsory dues may not be expended to endorse or advance a gun control or nuclear weapons freeze initiative; at the other end of the spectrum petitioners have no valid constitutional objection to their compulsory dues being spent for activities connected with disciplining members of the bar or proposing ethical codes for the profession.

496 U.S. at 15, 16.

The U.S. Supreme Court also rejected the California Supreme Court’s determination that an application of *Abood* would entail “an extraordinary burden” on the State Bar. Rather, the U.S. Supreme Court felt that applying *Abood* might result in some extra administrative burden but that the additional burden or inconvenience was hardly sufficient to justify contravention of the constitutional mandate. The U.S. Supreme Court pointed out that unions representing
governmental employees have developed and operated successfully within the parameters of the Abood procedures for over a decade.

Finally, the U. S. Supreme Court felt that an integrated bar could meet its Abood obligations by adopting procedures similar to those described in Teachers v. Hudson, 475 U.S. 292 (1986). [Basically, Hudson outlined a minimum set of procedures by which a union and an agency shop relationship could meet its requirements under Abood.]

The U.S. Supreme Court reversed the California Supreme Court and remanded the case.

II. ADDITIONAL GUIDANCE PROVIDED BY POST-KELLER CASES

Having a Keller-compliant bar association also entails an understanding of those cases that have come down since Keller. Some of the more relevant cases are:

A. Gibson v. The Florida State Bar, 906 F.2d 624 (11th Circuit 1990);
B. The Florida Bar re: Frankel, 581 So. 2d 1294 (Fla. 1991);
C. Schneider v. Colegio, 917 F.2d 620 (1st Cir. 1990);
D. Lehnert v Ferris Faculty Association, 500 U.S. 507 (1991);
E. Carole v. Blinkin, 957 F.2d 991 (2nd Cir. 1992) cert. Den. 121 L.Ed. 2d 224; and

A. Gibson v The Florida Bar

Gibson was decided six weeks after Keller. The question before the Gibson court was whether the First and Fourteenth Amendments were violated due to (1) political lobbying by the Florida Bar and (2) the system put in place by the Florida Bar to give voice to dissenting members regarding objections to the expenditure of mandatory bar dues. In its defense, the Florida Bar took the position that it was “Keller-pure,” meaning that they decided to adjust the constitutional concerns set forth in the Keller decision by not being involved in any political or ideological activities that related to its core functions. The Florida Bar argued if a state bar decides to be “Keller-pure” and then offers its members a constitutional procedure for objecting to the expenditure of their mandatory dues, then the court need not concern itself of any specific activity engaged in by the bar.

Specifically, Gibson, a Florida Bar member, claimed that the objection resolution procedure was inadequate because the Florida Bar must provide an advance deduction, and not simply a rebate or refund a portion of the dues that might subsequently be determined to be non-Keller-supported activities. He also challenged the requirement that he had to make or object to specific expenditures rather than just make a general objection, as well as the State Bar’s provisions for
an arbitration panel to ultimately decide whether the activity was related to the core purpose of the bar.

The *Gibson* court refused the arguments and held that a rebate procedure was acceptable and an advance deduction procedure was not required. It also determined that requiring a dissenting member to object to specific activities rather than allowing him to make a general objection was constitutionally acceptable. Finally, the *Gibson* court determined that a three-member arbitration panel (as the procedure for handling objecting members dissents) was constitutionally acceptable.

B. *Schneider v Colegio*

In *Schneider v Colegio de Abogados de Puerto Rico*, 917 F.2d 620 (1st Cir. 1990), *cert. den.*, 502 U. S. 1029 (1992), the First Circuit provided direction regarding what activities an integrated bar association could be involved in and still be “*Keller*-pure.” Looking to the *Hudson* and *Ellis* cases, on which Keller was based, the First Circuit came up with a list of acceptable activities for a unified bar that could be charged even to dissenting members:

(A) Lobbying regarding issues related to the core purpose of the bar association, e.g. lobbying in favor of budget “in favor of budget appropriations for new judicial positions or increased salaries for government attorneys, or against statutory limitations on attorney advertising or requirements for the certification of legal specialists”;

(B) Attorney discipline;

(C) Continuing legal education;

(D) Admission of new attorneys to the bar;

(E) Supervising law schools;

(F) Increasing availability of legal services by way of legal aid programs;

(G) Public education regarding the availability of legal services and substantive issues; and

(H) Commentary on the functioning of the court system, including:

   i. Efficiency;
   ii. Evidentiary rule-making; and
   iii. Procedural rule-making.

*Colegio*, 917 F.2d at 631-632.
C. Florida Bar re Frankel

In this case, the Florida Supreme Court reviewed its prior guidelines as to which subjects or issues its integrated State Bar could lobby or spend members’ dues on in light of Keller decision, and held that the Florida Bar could not (consistent with the First Amendment rights of any objecting members) lobby for various children’s rights, welfare and benefits legislation. The Florida Supreme Court held, however, that there were six permissible areas for action by the Florida Bar:

(A) Questions concerning the regulation and discipline of attorneys;

(B) Matters relating to the improvement of the functioning of the courts, judicial efficacy and efficiency;

(C) Increasing the availability of legal services to society;

(D) Regulation of attorneys’ client trust accounts;

(E) The education, ethics, competence, integrity and regulation as a body, of the legal profession; and

(F) Issues (a) which are recognized as being of great public interest, (b) that lawyers are especially suited by their training and experience to evaluate and explain, and (c) where the subject matter effects the rights of those likely to come into contact with the judicial system.

581 So.2d at 1296.

D. Lehnert v Ferris Faculty

In Lehnert, the U. S. Supreme Court addressed the question of what activities may be charged to dissenting members in a union, rather than a bar association. The Lehnert court concluded that chargeable activities must have three traits: (1) be germane to the core activity of the union; (2) be justified by the government’s vital policy interest supported by mandatory membership in the union; and (3) not significantly add to the burdening of free speech that is inherent in the allowance of mandatory membership in the union. Lehnert, 500 U.S. at 519.

E. Carroll v Blinken

This was an action by students at the State University of New York at Albany, which required all students to pay a mandatory student activity fee. The University in turn gave a portion to the student government, which in turn gave a portion to the New York Public Interest Research Group (NYPIRG). NYPIRG used its funds for both (1) on-campus activities such as student research projects, debates, and symposiums on issues of public interest, which were held not to violate dissenting students’ First Amendment rights and (2) off-campus lobbying, political and
ideological activities, which were held to violate the First Amendment rights of dissenting students.

The Second Circuit was thus faced with a situation in which the state forced students to pay dues to and join the student government, which then gave some of the dues money to an organization that in turn used the money for activities which, in some cases, violated students’ First Amendment rights. The Second Circuit held that where funds ultimately go to an organization (such as NYPIRG) that uses them for both constitutionally valid and invalid purposes, the donation of all such funds to the organization will be prohibited, to avoid infringing on the First Amendment rights of those who would object to the expenditures for unlawful (off-campus in this case) activities.

F.  

Smith v Board of Regents

The facts and holding in this decision are indistinguishable from Carroll, supra, which the California Supreme Court relied on. In Smith, the court held that students’ First Amendment rights were violated when the student government used university collected monies to both fund on-campus political and ideological groups, and lobby before state and local governments. As the court described it, the First Amendment principle at stake was:

[T]hat the government may not compel a person to contribute money to support political or ideological causes (See, e.g., Keller v State Bar of California supra, 496 U.S. at pp. 9-10, 110 S.Ct. at p. 2234 (Keller); Abood v Detroit Board of Education (1977) 431 U.S. 209, 234-235, 97 S.Ct. 1782, 1799, 52L.Ed.2d 261 (Abood). Such contributions are a form of speech, and compelled speech offends the First Amendment, just as restrictions on speech. (E.g., Keller, supra, 496 U.S. at pp. 9-10, 110 S.Ct. at p. 2234; Abood, supra, 431 U.S. at pp. 234-235, & 235, fn. 31, 97 S.Ct. at p. 1799, & 1799, fn. 31; Miami Herald Publishing Co. v Tornillo (1974) 418 U.S. 241, 247-258, 94 S.Ct. 2831, 2834-2840, 41 L.Ed.2d 730 [state may not compel a newspaper to print a political candidate’s reply to an editorial]; Torcaso v Watkins (1961) 367 U.S. 488, 489-496, 81 S.Ct. 1680, 1681-1684, 6 L.Ed.2d 982 [state may not compel civil servants to affirm a belief in God]; Board of Education v Barnett (1943) 319 u.s. 624, 630-642, 63 S.Ct. 1178, 1181-1187, 87 L.Ed. 1628 [state may not compel students to salute the flag].) Courts have often stressed this principle by repeating Thomas Jefferson’s view that ‘to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves, is sinful and tyrannical.’

844 P.2d at 506

G.  

Synopsis

Thus, the above cases decided after Keller have expanded the discussion of chargeable and non-chargeable activities. We know from these cases that mandatory dues can be expended to lobby for such things as budget appropriations for judicial positions and increased salaries for public lawyers, but not for issues grounded on partisan politics. We also know that mandatory state
bars can spend dues money on the regulation of attorney trust accounts and programs designed to promote the integrity of the legal profession. Thus, a knowledge of all subsequent activities is important.

III. THE STATE BAR OF ARIZONA’S APPROACH TO KELLER AND ITS KELLER COMPLIANT BYLAWS

The State Bar of Arizona has also decided to address the constitutional concern set forth in the Keller decision by not being involved in any political or ideological activities not related to its core function. It is important to note that like Gibson, supra, the State Bar also has taken the position that if it offers its members a constitutional procedure for objecting to the expenditure of their mandatory dues, then whether any specific bar activity is improperly ideological is not at issue in the instant action, but rather is to be decided by way of the prescribed procedure.

Thus, an activity-specific analysis only would be appropriate in the event the court finds that the State Bar has not implemented an acceptable procedure for challenges by its members.

Article XIII of the State Bar of Arizona’s bylaws outlines its “Keller-pure” policy. Section 13.01 provides that the State Bar:

Shall not, except as provided herein, use the dues of its members to fund activities of a political or ideological nature that are not reasonably related to:

(A) The regulation and discipline of attorneys;

(B) Matters relating to the improvement of the functioning of the justice system;

(C) Increasing the availability of legal services to the public;

(D) Regulation of attorney trust accounts;

(E) The education, ethics, competence, integrity and regulation of the legal profession; and

(F) Any other activity authorized by law.

Bylaw Section 13.02 addresses activities intended to influence legislation:

(A) The State Bar may use the mandatory dues of all members to review and analyze pending legislation, and provide content-neutral technical assistance to legislators and their staffs.

(B) The State Bar may use the mandatory dues of all members to influence legislation provided that it prepares and publishes a report distributed to
the entire membership summarizing all legislative positions taken during the preceding year.

(C) No activities intended to influence legislation may be funded with members’ mandatory dues, unless the legislation in question is limited to matters within the scope of permissible activities as described in 13.01.

To further understand the constitutionality of these bylaws, below is a comparison of the State Bar’s policy with the chargeable activities in Colegio and Frankel. This comparison shows that the State Bar is indeed “Keller-pure.”

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<thead>
<tr>
<th>State Bar/Frankel Categories</th>
<th>Colegio Categories</th>
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<td>(A) regulation/discipline of attorneys</td>
<td>(B) attorney discipline</td>
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<tr>
<td>(B) improvement of justice system</td>
<td>(H) functioning of court system</td>
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<tr>
<td>(C) availability of legal services</td>
<td>(F)(G) availability of legal services</td>
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<tr>
<td>(D) regulation of attorney trust accounts</td>
<td>(B) discipline (general requirements)</td>
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<td>(E) ethics/competency of profession</td>
<td>(C) CLE</td>
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<td></td>
<td>(B) discipline</td>
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State Bar Political Categories

(A) lobbying
(G) public education

The list of activities in Section 13.01 matches the list provided in Frankel, and follows the list set forth in Colegio. (See this memorandum at pp. 5-6.) Additionally, the list is based on the enumerated activities being germane to the Bar’s core activity, and are justified by the government’s policy interest supported by mandatory bar membership – “regulating the legal profession and improving the quality of legal services” – and do not significantly add to the free speech burden inherent in an integrated bar. Keller, 496 U.S. at 13.

Therefore, the State Bar is “Keller-pure,” and the State Bar’s “Keller-pure” policy, along with the challenge procedure provided in Bylaws Section 13.03, is constitutional.

IV. THE RECENT ATTACK ON THE STATE BAR OF ARIZONA

In March 2002, a member of the State Bar of Arizona filed a complaint against the State Bar of Arizona in the United States District Court for the District of Arizona, case no. CV-02-164-TUC-RCC. The member alleged, among other things, that the State Bar of Arizona failed to reform its non-regulatory activities in accordance with Keller.

He complained about the way in which the State Bar spends mandatory dues on non-regulatory functions and its procedures for addressing objections to its spending. The portion of the plaintiff’s challenge concerning the Bar’s spending on non-regulatory programs went before U.S. District Judge Raner Collins, who considered this a claim arising under federal law, which would allow him to adjudicate state law claims that might be transactionally related to the federal claim.
Judge Collins ultimately granted the State Bar summary judgment. His reasoning and explanation show the State Bar’s compliance with *Keller* and its progeny.

Judge Collins determined that the main issue before him was whether the State Bar’s procedures for addressing disputes to its spending practices were in compliance with the requirement set out in *Keller*. The Bar argued to Judge Collins that it had chosen to be “*Keller*-pure,” meaning it only spends dues that are directly related to its core purpose. The State Bar then argued that as long as it offers its members a constitutional procedure for objecting to the expenditure of mandatory dues, the court need not consider whether specific activities of the State Bar are improperly ideological. As part of the “*Keller*-pure” policy, the State Bar explained to Judge Collins that it had adopted bylaws that prohibit it from using membership dues to fund activities of a political ideological nature, not reasonably related to its core functions.

The judge agreed that he need only consider whether the State Bar had in place constitutionally appropriate procedures for members to challenge expenditures for mandatory dues. He then turned to whether the procedures for challenging expenditures were sufficient to protect a member’s First Amendment interest. The following is his understanding of the bylaws:

The Arizona Bar has developed the following procedure for members to challenge the State Bar’s spending on activities. The member must first submit a written challenge to the Executive Director of the State Bar which identifies the member, provides information on how to contact the member, and specifies the challenged activity. Challenges must be received by February 1 of the year immediately following the calendar year in which the challenged activity occurred. After the written challenge is received, the Board (or its designee) is required to determine the pro rata share of the member’s dues used to fund the challenged activity and to place the amount in an escrow account pending determination of the merits of the challenge. The Board may then decide whether to give a pro rata refund to the challenger or to refer the challenge to arbitration. If the challenge proceeds to arbitration, the challenger and the State Bar are to select, by mutual agreement, an arbitrator to determine whether the challenged activity complies with the limitations of the State Bar’s bylaws. If the parties cannot agree on an arbitrator, the President of the Bar is to apply to the Chief U.S. District Court Judge for the District of Arizona for appointment of an arbitrator. If the arbitrator finds that the challenged activity violates the Bar’s prohibition of spending on political or ideological activities, the arbitrator is to determine the pro rata share of dues to be refunded plus the actual interest rate earned in the escrow account from the date of payment of those dues to the State Bar.

In Plaintiff’s case, the State Bar determined that the plaintiff’s challenge to the expenditure of the Bar dues was meritless but it also determined that, given the small amount in dispute, the State Bar was not willing to engage in costly arbitration. The Bar accordingly refunded Plaintiff $0.40, which it determined to be plaintiff’s pro rata share of dues corresponding to activities to which he objected.
Judge Collins’ Order, May 20, 2003 at p. 11, 12.

The court also ruled that (1) the State Bar may require a member to make a specific identification of the objectionable activity, (citing Colegio); and (2) that plaintiff’s First Amendment rights were not violated because “the State Bar is not required to refer plaintiff’s challenge to arbitration either by its own bylaws or by the relevant case law on the State Bar’s spending procedures. The State Bar has the option of refunding plaintiff’s dues, plus interest, or referring the case to arbitration.” (The court cited Bylaw Section 13.03 and Gibson.

Judge Collins finally found that the State Bar’s refund of the plaintiff’s prorated share of dues and also providing the plaintiff with a copy of its budget summary was appropriate. Because of all of the above, the court granted the State Bar summary judgment, ending the case in May 2003.
AN EXECUTIVE SUMMARY OF KELLER AND RELATED CASE LAW

Several important court decisions have been issued since 1990, limiting the types of activities to which the State Bar of Arizona can be engaged. These cases, known as Keller and its progeny, address the appropriate use of mandatory bar dues for all State Bar activities and address appropriate procedures for addressing dissenting members’ objections. This summary highlights the most important points that the courts have made in the development of the Keller doctrine.

I. KELLER v STATE BAR OF CALIFORNIA, 496 U.S. 1 (1990)

The Keller doctrine originated from a U.S. Supreme Court opinion issued in 1990, which stated that the compelled association within a unified bar is justified by the State’s interest in the following areas: (1) regulating the legal profession, and (2) improving the quality of legal services.

Essentially, Keller held that “[t]he State Bar may therefore constitutionally fund activities germane to these goals out of mandatory fees of all members.” Furthermore, the court added that the State Bar “may not, however, in such manner, fund activities of an ideological nature which fall outside of these areas of activity.”

The Keller court also provided the following test in order to assist bar associations when determining permissible expenditures – “whether the challenged expenditures are necessarily or reasonably incurred for the purpose of regulating the legal profession or ‘improving the quality of the legal service available to the people of the state.’”

II. GIBSON v THE FLORIDA BAR, 906 F.2d 624 (11th Cir. 1990)

Gibson was one of the first courts to accept the strategy that if a state bar decides to be “Keller-pure” and offer its members a constitutional procedure for objecting to expenditures of their mandatory dues, then the court need not concern itself of any specific activity engaged in by the bar. In Gibson, the 11th Circuit has stated that when considering the constitutionality of a bar associations’ objection resolution procedure, rebate procedures will be acceptable in lieu of an advanced deduction procedure. It is also okay for a bar association to require a dissenting member to object to specific activities. Finally, the Gibson court determined that a three-member arbitration panel (as the procedure for handling an objecting member’s dissent) is constitutionally acceptable.

III. THE FLORIDA BAR RE FRANKEL, 581 So.2d 1294 (Fla., 1991)

The Florida Supreme Court found that the following six areas were permissible areas for actions by the Florida Bar: (1) Questions re disciplining attorneys; (2) Matters re improvement of court functioning; (3) Increasing legal services to society; (4) Regulating Trust accounts; (5) Education, ethics and integrity of the legal profession; and (6) Issues of: (a) great public interest; (b) that lawyers are trained to evaluate; (c) where the subject matter effects the rights of those involved in the judicial system.
The Court also found the following three areas were not permissible areas for lobbying by the Florida Bar: Various children’s rights; Welfare reform; and Benefits Legislation.

IV. **SCHNEIDER v COLEGIO, 917 F.2d 620 (1st Cir. 1990), cert. den. 502 U.S. 1029 (1992)**

In this case, the First Circuit held that it is not permissible for the Bar to take a position that rests upon partisan views rather than lawyerly concerns. Consequently, the Bar cannot use mandatory dues for lobbying on controversial bills to change the law in ways not directly linked to the legal profession or the judicial system.

*Colegio* also provides a list of acceptable activities that are chargeable even to dissenting members: (1) Lobbying regarding issues related to the core purpose of the Bar Association (budget appropriations for judges, increased salaries for government lawyers, positions against statutory limits on attorney advertising); (2) Attorney discipline; (3) Continuing Legal Education; (4) Admission of new attorneys; (5) Supervising law schools; (6) Increasing availability of legal services through Legal Aid; (7) Public education regarding legal services; and (8) Commentary on the function of the court system.

V. **LEHNERT v FERRIS FACULTY ASSOCIATION, 500 U.S. at 519**

In *Lehnert*, the U. S. Supreme Court addressed the question of what activities may be charged to dissenting members in a union, rather than a bar association. The *Lehnert* court concluded that chargeable activities must have three traits: (1) be germane to the core activity of the union; (2) be justified by the government’s vital policy interest supported by mandatory membership in the union; and (3) not significantly add to the burdening of free speech that is inherent in the allowance of mandatory membership in the union. *Lehnert*, 500 U.S. at 519.

VI. **ROMERO v COLEGIO ABOGADOS PUERTO RICO, 204 F.3d 291 (1st Cir. 2000)**

This case reaffirms two principles: (1) a unified bar can give financial support to core related bar activities and (2) members cannot be compelled to contribute to “ideological activities not ‘germane’ to the purpose for which the compelled association is justified.” This case also raises a third issue as to whether compelled bar association dues may be used to fund non-ideological and non-germane activities. The big issue presented was whether the Association of lawyers, the *Colegio*, could compel members to purchase group life insurance. The court felt the mandate violated the Keller doctrine but rather than declare the requirement to be unconstitutional, the Court remanded the issue back to the Puerto Rico Supreme Court to certify the following question: “Is the *Colegio [the association] . . .* authorized to compel members to purchase life insurance coverage through the *Colegio* as a condition of membership in the Bar of Puerto Rico?”

The court also approved and reaffirmed the activity of charging members for social activities expenses because they are often diminimus, but also germane.
Insurance Coverage

The following information is provided on the insurance coverage for the State Bar of Arizona:

Professional Liability Insurance Policy
The State Bar of Arizona has professional liability insurance as follows:

Company: RSUI Indemnity Co.
Broker: Ahern Insurance Brokerage
Policy No: RSG 211003 0204
Policy Period: 12/05/10-12/05/11
Limits: $5,000,000 aggregate inclusive of defense expenses.
Deductible: $50,000 per claim

Employed Lawyers Professional Liability Insurance
The State Bar of Arizona has professional liability insurance for employed lawyers and volunteers as follows:

Company: Landmark American Insurance Co.
Broker: Ahern Insurance Brokerage
Policy No: RSG51007
Policy Period: 7/01/10 – 7/01/11
Limits: $2,000,000 per Claim/$2,000,000 Annual Aggregate
Deductible: $10,000 per claim

SCHEDULE OF INSURANCE - attached

In addition to the policies listed above, the State Bar of Arizona provides the following insurance coverage for its employees:

Workers’ compensation insurance with the State Compensation
Health insurance – Aetna
Dental insurance – United Concordia
Long-term & Short-term liability insurance – Lincoln Financial
Life/AD&D insurance – Lincoln Financial

Copies of these employee policies as well as the policies listed above may be obtained from the State Bar HR office.

Updated 6/25/10
# SCHEDULE OF INSURANCE

**Cash, Sullivan & Cross, Inc.**  
1124 East Vogel Avenue  
Phoenix, AZ 85020  
602/957-0915/FAX 508-9115  
Producer: Bill Cross  

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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Property at Undescribed Premises, Outside coverage territory</td>
<td>$25,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Property In Transit, Outside coverage territory</td>
<td>$25,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newly Acquired Locations</td>
<td>$100,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinance or Law - Increased Period of Restoration</td>
<td>$50,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spoilage</td>
<td>$25,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ADD LOSS OF RENTAL INCOME TO LOCATION #1 and #5**  
$659

**TOTAL:**  
$9,100

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<table>
<thead>
<tr>
<th>DESCRIPTION:</th>
<th>LIMITS:</th>
<th>COMMENTS:</th>
<th>PREMIUM:</th>
</tr>
</thead>
<tbody>
<tr>
<td>STATE BAR OF ARIZONA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GENERAL LIABILITY</strong></td>
<td></td>
<td>Premium: $10,680</td>
<td></td>
</tr>
<tr>
<td>Business Liability &amp; Medical payments</td>
<td>$1,000,000</td>
<td>Per Occurrence</td>
<td></td>
</tr>
<tr>
<td>Medical Expenses</td>
<td>$1,000</td>
<td>Any One Per Person</td>
<td></td>
</tr>
<tr>
<td>Tenants Property Damage Legal Liability</td>
<td>$100,000</td>
<td>Any One Premises</td>
<td></td>
</tr>
<tr>
<td>Personal &amp; Advertising Injury</td>
<td>EXCLUDED</td>
<td>See extension in D&amp;O; E&amp;O</td>
<td></td>
</tr>
<tr>
<td>Products-Completed Operations Aggregate</td>
<td>$2,000,000</td>
<td>All Occurrences</td>
<td></td>
</tr>
<tr>
<td>General Aggregate</td>
<td>$2,000,000</td>
<td>All Occurrences</td>
<td></td>
</tr>
<tr>
<td>Employee Benefits Liability</td>
<td>$1,000,000</td>
<td>Each Employee - $1,000 Deductible-Retro Active Date 10/02/2009</td>
<td></td>
</tr>
<tr>
<td>Employee Benefits Liability</td>
<td>$2,000,000</td>
<td>Aggregate</td>
<td></td>
</tr>
</tbody>
</table>

**Common Policy Exclusions:**
- Amendment of Coverage Pollution
- Asbestos Exclusion
- Discrimination Exclusion
- Unsolicited Communications Exclusion
- Non Cumulation of Each Occurrence Limit of Liability
- War Exclusion

Personal & Advertising Injury Exclusion
Fungi & Bacteria Exclusion
Employment Related Practices Exclusion
Professional Services Exclusion-Legal Services

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**CS&C**
Cash, Sullivan & Cross, Inc.
1124 East Vogel Avenue
Phoenix, AZ 85020
602/957-0915/FAX 508-9115
Producer: Bill Cross

**SCHEDULE OF INSURANCE**
Travelers Prop Cas Co of America
Policy # 810-0639P604
10-02-09 to 10-02-10

<table>
<thead>
<tr>
<th>DESCRIPTION:</th>
<th>LIMITS:</th>
<th>COMMENTS:</th>
<th>PREMIUM:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUSINESS AUTOMOBILE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liability</td>
<td>$1,000,000</td>
<td>Combined Single Limit for Bodily Injury &amp; Property Damage on Hired &amp; Non Owned Autos Hired and Non-Owned</td>
<td>$ 1,471</td>
</tr>
</tbody>
</table>

**STATE BAR OF ARIZONA**

INSURED NEEDS TO OBTAIN MVR'S ON EMPLOYEES DRIVING PERSONAL AUTOS FOR COMPANY BUSINESS AND PROOF OF ACCEPTABLE PERSONAL AUTO COVERAGE LIMITS

Common Policy Exclusions:
- OWNED Autos
- Nuclear Energy Liability Exclusion
- Pollution Exclusion
- Expected or Intended Injury Exclusion
- Workers Compensation & Employers Liability Exclusion
- Contractual Liability Exclusion

Racing Exclusion
Terrorism Exclusion
War Exclusion

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## SCHEDULE OF INSURANCE

Travelers Property Casualty Co of America  
Policy # QT-660-9526N286-TIL-09  
10-02-09 to 10-02-10

### LOCATION BREAKDOWN:

<table>
<thead>
<tr>
<th>LOCATION #</th>
<th>ADDRESS</th>
<th>PREMIUM</th>
<th>TYPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>4201 N. 24TH STREET, #200, PHOENIX, AZ</td>
<td>$2,420</td>
<td>INLAND MARINE</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>POLICY</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>COMPUTERIZED</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BUSINESS</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>EQUIPMENT</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>COVERAGE</td>
</tr>
<tr>
<td>#2</td>
<td>1919 W. LONE CACTUS DRIVE, PHOENIX, AZ</td>
<td></td>
<td></td>
</tr>
<tr>
<td>#3</td>
<td>4131 N. 24TH STREET #A110, PHOENIX, AZ</td>
<td></td>
<td></td>
</tr>
<tr>
<td>#4</td>
<td>8521 E. PRINCESS DRIVE #100, SCOTTSDALE, AZ</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Special Form Including theft; $1,000 Deductible; $2,500 equipment breakdown deductible; Excludes Flood & Earthquake**

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**CS&C**  
Cash, Sullivan & Cross, Inc.  
1124 East Vogel Avenue  
Phoenix, AZ 85020  
602/957-0915/FAX 508-9115  
Producer: Bill Cross

**SCHEDULE OF INSURANCE**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>LIMITS:</th>
<th>COMMENTS:</th>
<th>PREMIUM:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COMMERCIAL UMBRELLA – Excess Following Form General Liability, Auto Liability, Employee Benefit Liability</strong></td>
<td></td>
<td></td>
<td>Premium: $7,757</td>
</tr>
<tr>
<td>Limit of Liability Each Occurrence</td>
<td>$9,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggregate</td>
<td>$9,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products-Completed Operations Aggregate</td>
<td>$9,000,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Common Policy Exclusions:**

- Exclusion - Pollution
- Professional Services Exclusion – Legal Services
- Exclusion – Advertising & Personal Injury
- Exclusion – Fungi and Bacteria
- Exclusion – Discrimination
- Exclusion – Unsolicited Communications
- Cap on Losses from certified acts of terrorism
- War Exclusion

**STATE BAR OF ARIZONA**

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CS&C
Cash, Sullivan & Cross, Inc.
1124 E. Vogel Avenue
Phoenix, AZ 85020
602/957-0915/FAX 508-9115
Producer: Bill Cross

SCHEDULE OF INSURANCE
Phoenix Insurance Co (Travelers)
Policy # 630-0639P604
10-02-09 to 10-02-10

<table>
<thead>
<tr>
<th>DESCRIPTION:</th>
<th>LIMITS:</th>
<th>COMMENTS:</th>
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</thead>
<tbody>
<tr>
<td>CRIME –Additional Coverages</td>
<td></td>
<td>STATE BAR OF ARIZONA</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$ 50,000</td>
<td>Deductible: $1,000</td>
</tr>
<tr>
<td>Valuable papers</td>
<td>$ 50,000</td>
<td>Deductible: $1,000</td>
</tr>
<tr>
<td>Forgery &amp; Alteration</td>
<td>$ 25,000</td>
<td>Deductible: $1,000</td>
</tr>
<tr>
<td>Money &amp; Securities On Premises</td>
<td>$ 20,000</td>
<td>Deductible: $1000</td>
</tr>
<tr>
<td>Money &amp; Securities Off Premises</td>
<td>$ 10,000</td>
<td>Deductible: $1000</td>
</tr>
<tr>
<td>Water Damage, Other Liquids,</td>
<td>Policy Limit</td>
<td></td>
</tr>
<tr>
<td>Personal Property at undescribed premises</td>
<td>$10,000 (Limited)</td>
<td></td>
</tr>
<tr>
<td>Personal Property in transit</td>
<td>$10,000(Limited)</td>
<td></td>
</tr>
</tbody>
</table>

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**CS&C**  
Cash, Sullivan & Cross, Inc.  
1124 E. Vogel Avenue  
Phoenix, AZ 85020  
602/957-0915/FAX 508-9115  
Producer: Bill Cross

**SCHEDULE OF INSURANCE**  
Fidelity & Deposit Company of Md  
Policy # CCP0061904 04  
01-25-2009 to 01-25-2010

<table>
<thead>
<tr>
<th>DESCRIPTION:</th>
<th>LIMITS:</th>
<th>COMMENTS:</th>
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</thead>
<tbody>
<tr>
<td>STATE BAR OF ARIZONA</td>
<td>PREMIUM: 932</td>
<td></td>
</tr>
<tr>
<td>COMMERCIAL CRIME POLICY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMPLOYEE THEFT</td>
<td>$500,000</td>
<td>$5,000 Deductible</td>
</tr>
<tr>
<td>FORGERY OR ALTERATION</td>
<td>$500,000</td>
<td>$5,000 Deductible</td>
</tr>
<tr>
<td>CREDIT, DEBIT OR CHARGE CARD FORGERY</td>
<td>$10,000</td>
<td></td>
</tr>
</tbody>
</table>

Named Insured: State Bar of Arizona; State Bar of Arizona Pension Plan; State Bar of Arizona 401K Plan; State Bar of Arizona Client Protection Fund

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## SCHEDULE OF INSURANCE

**Quote Summary**

10-02-09 to 10-02-10

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### PREMIUM BREAKDOWN:

STATE BAR OF ARIZONA

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>EXPIRING</th>
<th>ALLIED RE-WRITE</th>
<th>TRAVELERS</th>
<th>CBIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>PACKAGE</td>
<td>$ 13,517</td>
<td>$ 15,688</td>
<td>$ 20,592</td>
<td>$ 27,862</td>
</tr>
<tr>
<td>INLAND MARINE</td>
<td>$ 4,335</td>
<td>$ 2,420 (TRAVELERS)</td>
<td>$ 2,420</td>
<td>$ 2,420</td>
</tr>
<tr>
<td>UMBRELLA</td>
<td>$ 4,725</td>
<td>$ 4,546</td>
<td>$ 7,757</td>
<td>$ 5,132</td>
</tr>
<tr>
<td>CRIME</td>
<td>$ 937</td>
<td>$ 937 (renews January)</td>
<td>$ 937</td>
<td>$ 937</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 23,514</td>
<td>$ 23,591</td>
<td>$ 31,706</td>
<td>$ 36,351</td>
</tr>
</tbody>
</table>

---

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OPEN MEETING LAW

The State Bar of Arizona is a private, non-profit member corporation wholly supported by member fees. The members of its Board of Governors are elected by members of this organization, not by the state or any political subdivision thereof. The meetings of the State Bar’s Board of Governors, therefore, are not governed by the Open Meeting Law¹.

Bar members are welcome and encouraged to attend any Board of Governors meeting. Bar members, however, may not participate in executive sessions of the Board unless invited to do so.

¹ Opinion issued by the Attorney General, State of Arizona, Arizona Attorney General Opinion 75-7; Arizona Attorney General Opinion 84-091 & Addendum; see also, Arizona Press Club v. Arizona Board of Tax Appeals, 113 Arizona 545(1976)
Mission of the State Bar of Arizona:

“The State Bar of Arizona serves the public and enhances the legal profession by promoting the competency, ethics and professionalism of its members and enhancing the administration of justice.”

The State Bar of Arizona is an organization whose priorities, objectives and aspirations rest on a firm foundation of our service mission. As we set forth our Strategic Priorities for the next five years, we do so mindful of the State Bar’s remarkable history of service to Arizona. Established in 1933, the State Bar was formed to prescribe professional standards for attorneys practicing in Arizona. The legal profession has grown as Arizona has grown, and the State Bar has continued to serve the public by actively promoting a competent and ethical legal community that can meet the complex and diverse challenges reflected in every aspect of the legal system.

Serving the public is at the very core of the State Bar’s sense of duty, as is evident in the opening line of our mission. Our commitment to serve all Arizonans is reflected and highlighted throughout our Strategic Priorities for 2010.

Letter From the President of the State Bar of Arizona

In an ever-changing world, with technological advancements, economic challenges and a justice system struggling to meet the needs of our growing population, it is necessary to develop a clear vision for the future. The State Bar of Arizona, through its Long-Range Planning Committee, has created Strategic Priorities 2010. Our goal is to outline the five-year vision and strategic agenda of the State Bar for its use as a roadmap to the future.

The effort involved an outreach to a wide range of constituents, including Bar sections and sister bar associations. We asked questions about the challenges and opportunities they believed the Bar would be facing, along with their view as to what else the Bar could do for its members and the public.

Once this information was collected, it became the foundation for our five-year plan. We then made sure to coordinate it with Justice 20/20, the five-year plan adopted by the Arizona Supreme Court.

Lawyers are facing difficulties caused by challenging economic times, increasingly backlogged courts and a perception that the legal system is not accessible to most of the public because of extraordinary expense. Lawyers also are held to the highest standards of professional conduct, and are among the first blamed when the system appears to have failed.

As we move forward toward our centennial year, celebrating 100 years of statehood, we must focus on the goals outlined in our mission statement: lawyer competency, ethics, professionalism and the administration of justice. We can both protect the public and enhance our profession by making sure that Arizona’s lawyers meet the highest standards. To do so we must provide a system of lawyer accountability that is swift, fair and cost-effective.
We must constantly reinforce public reliance in the integrity of our profession and build public trust in the justice system as a whole. We also must be mindful of the obligations we owe our membership. The State Bar must be honest and fair in discipline matters while we constantly look to improve benefits, such as free legal research tools and member assistance programs. It is only by earning the confidence and trust of both the public and our members that we can truly achieve our goals. While there are many people who worked on this project, I would like to give special thanks to former Bar President Ray Hanna for his leadership.

Alan Bayham
President, State Bar of Arizona

Goal 1: Competency

The State Bar of Arizona ensures that Arizona attorneys meet and maintain the highest standards of competency and technical skill.

The ever-growing complexity of the law and its reach into the lives of every Arizonan demand that Arizona lawyers demonstrate skill and proficiency as a prerequisite to admission to the State Bar, and that competency is maintained through a lifelong commitment on the part of every Arizona attorney to continued legal education and professional development. The State Bar must continue to be at the forefront of the development and design of programs and policies that support education that prepares attorneys to face the myriad changes and challenges that arise in the practice of law. The 1989 decision by the Supreme Court of Arizona to mandate that every active member of the Bar participate in 15 hours of continuing legal education annually highlighted the State Bar’s duty to promote and facilitate the competency of the profession.

1A. Continuing Legal Education Leadership

The State Bar supports continuing legal education by providing quality and innovative educational programming to its members.

Action Plan

- Conduct a comprehensive review of Mandatory Continuing Legal Education (MCLE) to determine its effects on the legal profession, and provide its findings and recommendations to the Supreme Court of Arizona.
- Anticipate and identify continuing education needs for all Arizona lawyers and develop the highest quality and affordable programs that are innovative and accessible.
- Collaborate with other legal education providers to broaden learning opportunities for Arizona lawyers.
- Ensure that CLE programs are designed to better prepare Arizona attorneys to deliver the highest level of service to the public.

1B. Mastering Technology

The State Bar uses state-of-the-art technology to deliver effective and efficient programs, services and communications to its members.
Action Plan
- Assess and employ social media technology where appropriate to enhance communications and delivery of services.
- Assess practice management tools that will serve as reliable and cost-effective resources for all attorneys.

1C. Supporting Lawyers in Transition

The State Bar helps lawyers successfully address change that affects personal and professional well-being.

Action Plan
- Develop and implement programs that assist unemployed and underemployed lawyers.
- Develop and implement programs that assist lawyers who change area(s) of practice.
- Assist lawyers returning to the practice of law from retirement.
- Engage and assist newly admitted lawyers.
- Assist lawyers leaving the practice of law.
- Engage and assist lawyers admitted on motion.
- Engage Arizona law schools to support successful transition to practice for future Bar members.
- Provide tools to support individual well-being.
- Integrate pro bono and modest means opportunities to increase access to the legal system by the public.

Goal 2: Ethics

The State Bar of Arizona ensures that Arizona attorneys exhibit the highest level of ethical conduct.

It is not enough to be a competent attorney. What separates the practice of law from many other worthy occupations is the ethical code that every attorney in Arizona swears a solemn oath to uphold. Guided by the Rules of Professional Conduct, Oath of Admission, and Creed of Professionalism, the State Bar continues to promote and, when necessary, enforce the highest standards of ethical conduct. Those ethical standards protect the public and enhance the legal profession. Increased stress on well-established ethical principles may result from a number of factors, including the globalization of practice, economic distress and technology. Accordingly, the State Bar must remain vigilant to ensure that we fulfill our obligation to the public and the profession to sustain an ethical climate in every area of legal practice.

2A. Early Ethics Education

The State Bar creates opportunities to engage attorneys early in their careers and continuously throughout their careers to reinforce ethical standards.

Action Plan
- Engage Arizona law schools in a cooperative effort to teach and train law students in ethics and professionalism.
- Create opportunities for effective mentoring and peer review.
Develop early intervention programs for at-risk lawyers.

2B. Successful Transition to New Lawyer Discipline Processes

The State Bar successfully implements changes to the lawyer discipline system as directed by the Arizona Supreme Court.

**Action Plan**
- Inform and educate the public regarding changes.
- Inform and educate members of the Bar regarding changes.
- Adjust practices and procedures consistent with rule changes.
- Develop and execute methods to determine the effectiveness of the changes; as appropriate, recommend modifications to the Supreme Court of Arizona.
- Provide more information and better access for the public in regard to the lawyer discipline system.

2C. National Ethical Standards

The State Bar actively participates in the development of national ethics standards and practices.

**Action Plan**
- Support the full participation of the State Bar’s Rules of Professional Conduct Committee in the American Bar Association’s Ethics 20/20 initiative, a sweeping review of the ABA Model Rules of Professional Conduct and the American system of lawyer discipline in light of new technology and global legal practice developments.
- Inform and educate the members and public on ethics issues arising from the initiative.

Goal 3: Professionalism

The State Bar of Arizona provides the foundation for a supportive and collegial community of legal professionals.

In May 1989, the Board of Governors of the State Bar of Arizona unanimously voted to adopt the Creed of Professionalism. The preamble to that Creed states:

_As a lawyer I must strive to make our system of justice work fairly and efficiently. In order to carry out that responsibility, I will comply with the letter and spirit of the disciplinary standards applicable to all lawyers and I will conduct myself in accordance with the following Creed of Professionalism when dealing with my client, opposing parties, their counsel, tribunals and the general public._

The Creed enumerates those duties that every Arizona attorney has to clients, opposing parties and their counsel, courts and other tribunals, the public and our system of justice. This commitment to professionalism protects the public and reflects the broader obligation that all Arizona attorneys have to our justice system and our community. The State Bar plays a central role in establishing an environment in which lawyers can work together in a collegial spirit to serve the many legal needs of Arizonans.
3A. Diversity and Inclusion

The State Bar collaborates with law-related and community organizations from all sectors to enhance diversity and inclusion within, and improvement of, the legal profession and the provision of legal services.

*Action Plan*
- Formulate Bar policies and goals with the input of all Bar members.
- Provide opportunities for all Arizonans to learn about and pursue legal careers.
- Facilitate and support diversity in all areas to ensure that the legal profession reflects the community it serves.

3B. Raising Expectations

The State Bar promotes professionalism through engagement with future and current Arizona lawyers and members of the public to raise member and citizen expectations regarding attorney conduct.

*Action Plan*
- Collaborate with Arizona law schools to encourage early education and modeling of professionalism as a central part of legal education.
- Integrate professionalism in continuing legal education and other activities and build on the mandatory Professionalism Course.
- Educate and inform the public about professionalism standards.

3C. Lawyer Wellness

The State Bar supports the mental and physical well-being of its members to enhance the effective delivery of legal services to the public.

*Action Plan*
- Provide education and training opportunities that address wellness.
- Provide wellness tools for individuals and legal organizations.
- Assess national health care trends to identify opportunities to provide member services with a special emphasis on solo and small-firm practitioners.
- Promote and support the Bar’s Member Assistance Program, which helps Arizona lawyers navigate issues of stress, addiction and mental illness.

3D. Trust and Relevancy

The State Bar earns the trust of its members and the public through transparency of processes and access to reliable information. The State Bar’s relevance as a regulatory body and professional association depends on the level of trust it enjoys with attorneys and members of the public.

*Action Plan*
- Expand outreach to elected officials.
- Enhance relationships with all county bar and sister/minority bar associations.
• Engage members from all practice areas and facilitate maximum participation in Bar activities, with special emphasis on encouraging diversity in State Bar leadership.
• Develop and implement a strategic communications plan to provide effective lines of communication with all stakeholders, with special emphasis on communicating the Bar’s mission and relevance to the public.
• Recognize and communicate to the public significant community contributions made by Arizona lawyers.

3E. Global Changes in the Legal Profession

The State Bar anticipates transformation in the profession of law and is positioned to assist members in successfully navigating change.

Action Plan
• Support the Judicial Branch’s goal to modernize the system by which new attorneys are admitted to membership.
• Advocate for and support Arizona attorneys in making the profession of law more effective and rewarding.
• Assess the needs for legal specialization and improve the current system as appropriate.
• Facilitate multijurisdictional practice, the ability of lawyers to serve clients across traditional jurisdictional boundaries without taking multiple bar examinations.
• Assess the many ways the public is seeking and accessing legal services and determine the Bar’s role in assisting consumers to help themselves in ways that are effective.
• Assist lawyers in exploring and developing successful models of law practice that serve consumers and enhance the economics of practice.

3F. Enhanced Member Services

The State Bar provides quality service to its members to enhance the professional rewards acquired by working collectively to improve the legal system in Arizona.

Action Plan
• Enhance support to sections and committees.
• Expand member benefits, with special emphasis on health care.
• Lessen the burden of members’ compliance and participation by:
  ▪ synchronizing deadlines (dues, MCLE, etc.)
  ▪ identifying and correcting any internal process inefficiencies
  ▪ creating a master calendar of events and educational opportunities
  ▪ implementing electronic voting for Board of Governors elections
  ▪ addressing the need for more rural lawyers
  ▪ easing practice continuity
  ▪ simplifying communications
• Assist lawyers in obtaining professional liability insurance.
• Promote and support the State Bar’s Law Office Management Assistance Program.
Goal 4: Administration of Justice

The State Bar of Arizona ensures that Arizona citizens have equal access to legal services of the highest quality and to a system that affords prompt and fair resolution.

Every Arizona lawyer takes an oath to: “take up the cause of the defenseless or oppressed, and … not delay any person’s cause for greed or malice.” Unfortunately, many Arizonans face the legal system without the benefit of an attorney. A 2007 study conducted by the Arizona Foundation for Legal Services & Education found that legal services organizations in Arizona turn away 75 percent of those citizens seeking help due to a lack of resources and a failure to meet access criteria. The study found that: (1) many Arizonans have civil legal needs; (2) the majority of Arizona households do not believe they can afford a private attorney to assist them with these needs; (3) even those who do seek help do not know how to find it easily; and (4) as a result, a large number of Arizonans do not get the civil legal assistance they need. The State Bar plays a key role in remedying this unacceptable situation.

4A. Legal Services Innovations

The State Bar aggressively pursues new and innovative solutions to address the gap in legal services provided to underserved Arizonans.

Action Plan

- Examine emerging area of collaborative law as a way to speed resolution of complex legal matters.
- Promote and support alternative dispute resolution.
- Promote, support and reward pro bono services.
- Support court modernization efforts to reduce costs and streamline processes for Arizona citizens.
- Promote and support the work of the Arizona Foundation for Legal Services & Education.
- Review and recommend changing rules, if necessary, which govern the Interest on Lawyers’ Trust Accounts to clarify the Bar’s responsibilities in support of Foundation funding.
- Promote and support nonprofit legal referral services.
- Examine legal services needs to underserved Arizonans, with special emphasis on rural and tribal areas; develop and implement a plan to improve service to those Arizonans.

4B. Serving the Public

The State Bar protects the public by resolving complaints about lawyer conduct efficiently and effectively and by providing consumer information designed to assist in understanding the legal system and available services.

Action Plan

- Provide a clearinghouse for consumer information designed to help navigate the legal system.
- Provide a timely and equitable system for resolving consumer complaints about lawyers.
- Support the Arizona Judicial Branch’s goal to protect vulnerable children and families by developing programs and related activities.
- Continue to encourage lawyers’ *pro bono* service to increase access to justice for all Arizonans.
- Promote and support the Modest Means Program, which assists the many people who do not qualify for legal aid but who are unable to obtain an attorney at standard rates.

**Achieving Our Goals Through Organizational Excellence**

*The State Bar of Arizona demonstrates excellence in every area: operations, programs, resource management, policy and planning, and citizenship.*

Only a truly high-performing team can accomplish the goals reflected in this document. Fiscal discipline, effective communication, cooperation, commitment to excellence, and unity of purpose are the core characteristics of a successful team. That team, comprised of lawyers, members of the public and professional staff, must work together to achieve in all areas. In addition to its obligation to the profession of law, the State Bar is a member of the larger Arizona community, and as such also must meet its obligations as a good citizen.

A. Sustain and Improve Community Relevance (at the international, national, state and local levels)

The State Bar serves as a model organization in Arizona.

**Action Plan**
- Develop and perform community service projects.
- Develop and maintain community relationships and partnerships.
- Assess and improve organizational sustainability (recycling, energy conservation, etc.).
- Maintain our ability to continue operations even in a time of crisis.
- Model diversity and inclusion.

B. Employer of Choice

The State Bar is esteemed as an employer of choice in Arizona.

**Action Plan**
- Provide competitive compensation.
- Hire highly skilled staff.
- Foster an environment in which employees perform as team players.
- Implement a wellness program that encourages health consciousness.

C. Effective and Efficient Organization

The State Bar maximizes efficient use of resources to support its mission.

**Action Plan**
- Maintain sound and accountable fiscal systems.
- Conduct periodic cost-saving analyses of programs and services.
- Maintain Bar dues at current levels through 2014.
- Implement technology capital improvements successfully—on time and on budget.
- Support Board of Governors in engagement of members to serve all members effectively.
- Improve internal organizational processes and relationships to better support governance and policy functions of the Board of Governors.

**Our Future, Safeguarded by Our History**

The State Bar of Arizona celebrates its 77th anniversary in 2010. It is an organization with a rich and enduring legacy, one that stretches back nearly to the inception of the Grand Canyon State itself.

For all of its impressive history, though, the State Bar is not mired in conventional methods and approaches. The Bar shares a number of important and dynamic qualities with its home state. Like Arizona, the State Bar exhibits an agile and responsive spirit, one that looks to the horizon, not to the receding landscape. It serves the public and its members through action, not reaction. It does not rely on paths that have been trod and found wanting. Instead, it blazes a trail that is a way forward.

As we embark on a Strategic Plan that will include our 80th year, we do so fervently and with optimism. We aim to flourish, and to thrive, and to do so as steadfast servants of the public and our members.
Nominate a Colleague for Annual State Bar Awards

Here’s your chance to see that your colleagues, deserving of recognition, receive their just rewards. Nominations for the annual State Bar awards are now being accepted through February 24, 2010 at 5:00 p.m. (with one exception noted below). Nominations for all categories should be submitted to: State Bar Awards, c/o Nina Benham, 4201 N. 24th St., Suite 200, Phoenix, AZ 85016-6288. Nominations can be in the form of a letter, describing the individual’s accomplishments following the award criteria. The criteria for each award are listed.

The Board of Governors approved the creation of the following awards to be presented at the annual Bar Convention:

**Award of Appreciation:** to be presented to that individual(s) who is not a member of the Bar in recognition of outstanding service toward the creation of a better public understanding of the legal profession and the administration of justice, the judiciary or the legislative process. (Award established in 1988)

**Award of Special Merit:** to be presented to that member(s) of the State Bar of Arizona who has made significant contributions to the furtherance of public understanding of the legal system, the administration of justice and confidence in the legal profession. (Award established in 1988)

**James A. Walsh Outstanding Jurist Award:** to be presented to that judge whose career exemplifies the highest standards of judicial conduct for integrity and independence; who is knowledgeable of the law and faithful to it; who is unwaveringly partisan interests, public clamor or fear of criticism; who is patient, dignified and courteous to all who appear before him; and who endeavors to improve the administration of justice and public understanding of, and respect for, the role of law in our society. (Award established in 1989)

**Member of the Year Award:** to be presented to that attorney(s) who has rendered extraordinary contributions to the programs and activities of the State Bar in the prior year. Hundreds, even thousands, of the Bar’s members contribute their time and talent to the work of the Bar, but this award is limited to that individual(s) whose contributions are exceptional. (Award established in 1991)

**Sharon A. Fullmer Legal Aid Attorney of the Year Award:** to be presented to that legal services lawyer in Arizona whose service to low-income people encompasses both aggressive advocacy on behalf of individuals in extreme need as well as impact advocacy designed to address systemic issues affecting significant numbers of low-income people. (Award established in 1997)

**Tom Karas Criminal Justice Award:** to be presented to that criminal defense practitioner who during his or her career has worked tirelessly to advance the principles of criminal justice by representing clients or the public with integrity, fairness, tenacity, creativity, brilliance and above all professionalism. (Award established 2004; amended language 3/17/06)

**Michael C. Cudahy Criminal Justice Award:** to be presented to the criminal law prosecutor who during his or her career has worked tirelessly to advance the principles of criminal justice by representing the public’s interest with integrity, fairness, tenacity, creativity, brilliance and above all, professionalism. (Award established 3/17/06)

**Hon. John R. Sticht Excellence in Disabilities Accessibility Award:** (Deadline April 30th.) to be awarded to that private legal employer or law firm and public legal employer for their efforts to improve access to our judicial system for persons with disabilities in the legal profession. The awards are presented at the State Bar Convention and at a ceremony at the State Capitol in July, the anniversary of the passage of the Americans With Disabilities Act (ADA). The law firms of Mesch, Clark & Rothchild, PC (Tucson) and Quarles & Brady, LLP (Phoenix) were honored in 2009. (Award established 5/29/06) For more information please go to www.myazbar.org.
Board of Governors Code of Conduct

To participate effectively on the Board of Governors, each Board member is expected to:

1. Uphold the Supreme Court Rules governing the Bar, and the Bar’s Articles of Incorporation, Bylaws, and Mission Statement.
2. Read the attached summary, entitled “What does the Board of Governors Do?” and help to make sure that the Board fulfills those responsibilities.
3. Participate in Meetings:
   a. Attend all Board and Committee meetings, absent unavoidable emergencies.
   b. Attend all meetings of Committees and/or Sections assigned as liaisons, unless prior arrangement made to share information.
   c. Participate actively, freely, openly, and courteously in discussions.
   d. Read all Board and Committee materials received in advance of meetings.
   e. Raise concerns and seek additional information, if needed for making timely and reasoned decisions.
   f. Make decisions based on the merits of each matter, after taking into account the views of others.
4. Respect the confidentiality of sensitive matters discussed in executive session.
5. Act honorably, honestly, diligently, in good faith, and in the best interest of the Bar.
6. Foster open and constructive communication among Board members in an effort to achieve the goals of the Board and to avoid unnecessary misunderstandings.
7. Encourage and support a positive, open and collaborative atmosphere among the Board and the Bar’s Senior Management.
8. Encourage and support all staff in their efforts to implement Board policy and the Long Range Plan.
9. Be loyal to the Bar and comply with the Bar’s conflict of interest policy.
10. Respect the validity of the Board’s decisions and their value to the organization, even if not in the voting majority.
11. Uphold and enhance the reputation and public image of the Bar.

Each Board member expects the following:

1. To be provided timely and accurate information concerning the finances and operations of the Bar.
2. To be provided with adequate orientation and training.
3. To have time used constructively and not wasted.
4. To be provided interesting assignments, and to be accountable for their completion.
5. To be given opportunities for personal and professional growth.
6. To be recognized for his or her work and accomplishments.

The Board of Governors has not officially adopted this policy.
## BOARD OF GOVERNORS’ BIRTHDAYS
### 2010-2011

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<thead>
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<th>Month</th>
<th>Name</th>
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<td>Virginia Herrera-Gonzales</td>
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<td>Alex Jamison</td>
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<td>Paul Schiff Berman</td>
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<td>April 25</td>
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<td>Stephen Dichter</td>
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<td>Jennifer J. Burns</td>
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<td>June 1</td>
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<td>June 9</td>
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<td>July 7</td>
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<td>July 22</td>
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<td>September 10</td>
<td>Lawrence Ponoroff</td>
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<td>Meredith Peabody</td>
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<td>October 27</td>
<td>John J. Sullivan</td>
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<td>November 10</td>
<td>Jim Smith</td>
</tr>
<tr>
<td>November 19</td>
<td>H. Leslie Hall</td>
</tr>
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</table>
BOARD OF GOVERNORS’
SPOUSES OR SIGNIFICANT OTHERS
2010-2011

Alan Bayham, Jr.  Debra
Joseph Kanefield  Marcie McDougall
Amelia Craig Cramer  Amy S. Cramer, Ph.D.
Whitney Cunningham  Jennifer Mott
Richard Platt  Brenda

Frank Barriga  Louise
Paul Schiff Berman  Laura Dickinson
Jennifer Burns
Dave Byers  Linda
Theodore Campagnolo  Dawn
Bryan B. Chambers  Martha
Eugene “Gene” Clark  Pat
Richard Coffinger  Sue E.
Michael Crawford
Tom Crowe
Steve Dichter  Maria
Diane Drain  Jay McClimon
H. Leslie Hall  Theodore Jarvi
Raymond Hanna  Lanette
Virginia Herrera-Gonzales  Rudy
Alexander Jamison  Dana
Christopher Jensen  Christine
Lisa Loo  Donn Kong
Maricela Meza
Meredity Peabody  Milton Hathaway
Lawrence Ponoroff  Monica
Dee-Dee Samet
John J. Sullivan  Marita “Mary”
Jim Smith  Christine
## Convention Policy re: Board Expenses

<table>
<thead>
<tr>
<th>Individual</th>
<th>Convention Registration</th>
<th>Convention Ticketed Events</th>
<th>Hotel</th>
<th>Meals</th>
<th>Travel (Mileage)</th>
<th>Incidents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lawyer Board Members</strong>&lt;br&gt;(who reside in the county in which the Convention is being held)</td>
<td>No</td>
<td>One complimentary ticket to each of the luncheons</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Lawyer Board Members</strong>&lt;br&gt;(who do not reside in the county in which the Convention is being held)</td>
<td>No</td>
<td>One complimentary ticket to each of the luncheons</td>
<td>Yes, up to 4 nights</td>
<td>Yes, if the meal does not occur at the time of a ticketed event</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td><em><em>Public and At-Large</em> Board Members</em>*</td>
<td>Waived</td>
<td>2 free tickets/event</td>
<td>Yes, up to 4 nights</td>
<td>Yes, if the meal does not occur at the time of a ticketed event</td>
<td>Yes, if traveling to attend the Convention in another county</td>
<td>No</td>
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<tr>
<td><strong>Members of the Arizona Supreme Court</strong></td>
<td>Waived</td>
<td>2 free tickets/event</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

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1 10/23/98 BoG Policy: The Bar does not cover travel and meals for Board members’ spouses/guests.

2 1/15/99 BoG Policy: The Bar does not pay for alcoholic beverages (wine tasting events, therefore, would be excluded).

4/25/08 BoG Policy: Board members receive one complimentary ticket to each of the luncheons and are expected to attend all three luncheons.

3 10/5/06 BoG Policy: The Bar will pay for up to four nights of lodging for “out-county” Board members and all Public Board members. “No shows” will be billed. The Bar will pay for the President who is required to stay at the host hotel.

4 Incidentals: telephone, in-room movies, laundry, business center, alcohol, spa, golf, etc.

*At-Large (Supreme Court appointed) members captured in chart 3-23-10
Carrie on P:\WORDDATA\Convention\Convention Policy re BoG Expenses (adopted 4-17-09, tech amdnt 3-23-10)
Board of Governors Swearing In
Oath of Office

I promise to support and defend the Constitution of the United States and the Constitution of the State of Arizona, and to fulfill with fidelity and impartiality my obligations as a member of the Board of Governors to the Supreme Court of Arizona, to all members of the State Bar and to the people of Arizona.
<table>
<thead>
<tr>
<th>Committee</th>
<th>Board Liaison 2009-2010</th>
<th>Board Liaison 2010-2011</th>
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<tr>
<td>APPOINTMENTS</td>
<td>Amelia Craig Cramer</td>
<td>Whitney Cunningham</td>
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<td>ARIZONA ATTORNEY EDITORIAL BOARD</td>
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<td>Joe Kanefield</td>
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<td>BOARD OF LEGAL SPECIALIZATION</td>
<td>Jimmie Smith</td>
<td>Jimmie Smith</td>
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<td>Steve Dichter</td>
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<td>CIVIL PRACTICE AND PROCEDURE</td>
<td>Tom Crowe</td>
<td>Tom Crowe</td>
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<td>COMMITTEE ON MINORITIES AND WOMEN IN THE LAW</td>
<td>Alex Jamison</td>
<td>Alex Jamison</td>
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<td>COMMUNICATIONS ADVISORY</td>
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<td>Dee-Dee Samet</td>
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<td>Virginia Herrera-Gonzales</td>
<td>Virginia Herrera-Gonzales</td>
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<td>CONTINUING LEGAL EDUCATION</td>
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<td>Bryan Chambers</td>
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<td>Dick Coffinger (Def)</td>
<td>Dick Coffinger (Def)</td>
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<td></td>
<td>Roger Contreras (Pros)</td>
<td>Bryan Chambers (Pros)</td>
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<td>FAMILY LAW PRACTICE AND PROCEDURE</td>
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<td>FEE ARBITRATION</td>
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<td>IN HOUSE COUNSEL</td>
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<td>PERSONS WITH DISABILITIES IN THE LEGAL PROFESSION</td>
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<td>Meredith Peabody</td>
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<td>Arizona Foundation for Legal Services &amp; Education Liaison</td>
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THE CLIENT PROTECTION FUND OF
THE STATE BAR OF ARIZONA

DECLARATION OF TRUST

DATED APRIL 9, 1960

AS AMENDED AND RESTATED IN ITS ENTIRETY ON MAY 30, 2008

The Client Protection Fund of the State Bar of Arizona was authorized by the membership of the State Bar on April 19, 1960, and established by the Declaration of Trust of January 7, 1961. The Supreme Court of Arizona, pursuant to Rule 32(d)8, Ariz.R.S.Ct., required the creation of the original Trust and delegated authority to the State Bar of Arizona Board of Governors (“Board”) to amend the Trust from time to time as may be appropriate. Under the terms of the original trust agreement, the Board of Governors reserved the right to amend or revoke the Trust from time to time, in whole or in part, by written instrument. The Board previously amended the Trust on November 26, 1971, May 31, 1974, May 6, 1981, April 23, 1993, February 27, 1998, January 18, 2002, November 18, 2005 and January 20, 2006. This agreement, as amended and restated in its entirety, sets forth the terms and provisions relating to the Administration of the Trust after this date.

The name of the trust shall hereinafter be the Client Protection Fund of the State Bar of Arizona. (“Fund”).

RULE 1  PURPOSE AND SCOPE

A. The purpose of the Fund is to promote public confidence in the administration of justice and the integrity of the legal profession by reimbursing losses caused by the dishonest conduct of lawyers admitted and licensed to practice in Arizona, occurring in the course of the client-lawyer or fiduciary relationship between the lawyer and the claimant.

B. For purposes of these Rules, "lawyer" shall include a person:

(1) licensed to practice law in this jurisdiction, regardless of where the lawyer’s conduct occurs;
(2) admitted as in-house counsel;
(3) admitted pro hac vice;
(4) admitted as a foreign legal consultant;
admitted only in a non-United States jurisdiction but who is authorized to practice law in this jurisdiction; or, 
(6) recently suspended or disbarred whom clients reasonably believed to be licensed to practice law when the dishonest conduct occurred.

C. Every lawyer has an obligation to the public to participate in the collective effort of the Bar to reimburse persons who have lost money as a result of the dishonest conduct of another lawyer. Contribution to the Fund is required of all active and inactive members of the State Bar of Arizona, pursuant to the Supreme Court of Arizona’s mandate, as set forth in Ariz.R.S.Ct. 32(c)7 and 8, and (d)(8).

RULE 2 ESTABLISHMENT

A. There is established the State Bar of Arizona Client Protection Fund to reimburse claimants for losses caused by dishonest conduct committed by lawyers admitted to practice in Arizona.

B. The trust shall exist as a separate entity from the State Bar of Arizona and is established, under the authority of the Board, and as required by the Supreme Court, pursuant to Ariz.R.S.Ct. 32(d)8. The Client Protection Fund Board of Trustees (“Trustees”) shall receive, hold, manage, and disburse from the Fund such monies as may be allocated to the Fund pursuant to Ariz.R.S.Ct. 32( c)8 and from any other sources.

C. These rules shall be effective for claims filed with the Trustees after the effective date of this amended and restated Declaration of Trust.

RULE 3 ELIGIBLE CLAIMS

A. The loss must be caused by the dishonest conduct of the lawyer and shall have arisen out of and by reason of a client-lawyer relationship or a fiduciary relationship between the lawyer and the claimant that is customary and related to the practice of law.

B. The claim shall have been filed within five years after the claimant knew or should have known of the dishonest conduct of the lawyer.

C. The lawyer is: 1) suspended for more than six months by Supreme Court order; 2) placed on Interim Suspension by Supreme Court order; 3) disbarred; 4) deceased; 5) transferred to disability inactive status pursuant to Ariz.R.S.Ct.63; 6) convicted of a felony arising out of the facts that gave rise to the claim; or 7) the Trustees have determined that the claim is an appropriate one for consideration for reimbursement because the loss was caused by the dishonest conduct of a member of the State Bar of Arizona.

D. As used in these Rules, “dishonest conduct” means: 1) wrongful acts committed by a lawyer in the nature of theft or embezzlement of money or the wrongful taking or conversion of
money, property or other things of value; 2) Failure to refund unearned fees received in advance as required by Rule 1.16(d) of the Arizona Rules of Professional Conduct; or 3) a lawyer’s act of intentional dishonesty or deceit that proximately leads to the loss of money or property.

E. Except as provided by Paragraph I of this Rule, the following losses shall not be reimbursable: 1) claims based solely upon negligence, incompetence or malpractice by a lawyer; 2) money lost by a claimant that was given to a lawyer for investment or any other purpose that did not arise from the client-lawyer relationship; and 3) claims requesting compensation for interest, legal fees paid to other lawyers, damages or other expenses.

F. Except as provided in Paragraph I of this Rule, the following claimants shall not be eligible for reimbursement: 1) the spouse (present or former), child, parent, grandchild, grandparent, or sibling of the lawyer, whether by blood or marriage; 2) partners, associates, co-shareholders, or employees of the lawyer; 3) any insurer, surety, or bonding agency or company which seeks reimbursement for payment made under an insurance or surety contract or bond covering the risk involved in the lawyer’s dishonest conduct; 4) any business entity controlled by the lawyer or person described in paragraphs F.1 or 2 above; 5) any governmental entity or agency; 6) medical providers or other third parties with claims against the lawyer pursuant to law; or 7) any business entity unless considered pursuant to Paragraph I of this Rule.

G. In determining whether it would be more appropriate for this Fund or another state’s Fund to pay a claim, the Trustees should consider the following factors:

1. the Fund(s) into which the lawyer is required to pay an annual assessment or into which an appropriation is made on behalf of the lawyer by the bar association;
2. the domicile of the lawyer;
3. the domicile of the client;
4. the residence(s) of the lawyer;
5. the number of years the lawyer has been licensed in each jurisdiction;
6. the location of the lawyer's principal office and other offices;
7. the location where the attorney-client relationship arose;
8. the primary location where the legal services were rendered;
9. whether at the time the legal services were rendered, the lawyer was engaged in the unauthorized practice of law as defined by the jurisdiction in which the legal services were rendered; and
10. any other significant contacts.

H. The Trustees may enter into an agreement with the Fund of another jurisdiction to reimburse a portion of the loss suffered by a claimant whose claim may be eligible for payment under both Funds. The Trustees may take into consideration the other Fund's rules on payment of claims for reimbursement prior to entering into such an agreement.

I. In cases of extreme hardship or special and unusual circumstances, the Trustees may, in their sole and absolute discretion, recognize a claim that would otherwise be excluded under these Rules.
J. In cases where it appears that there will be unjust enrichment, or the claimant unreasonably or knowingly contributed to the loss, the Trustees, may, in their sole and absolute discretion, deny the claim.

**RULE 4 PROCEDURES AND RESPONSIBILITIES FOR CLAIMANTS**

A. The Trustees shall prepare and approve a form for claiming reimbursement from the Fund that will be available, at no charge, from all offices of the State Bar.

B. The form shall include at least the following information provided by the claimant under penalty of perjury:

1. the name, address, home and business telephone of claimant;

2. the name, address and telephone number of the lawyer alleged to have dishonestly taken the claimant's money or property, and any family or business relationship of the claimant to the lawyer;

3. the legal or other fiduciary services the lawyer was to perform for the claimant;

4. the amount paid to the lawyer;

5. a copy of any written agreement pertaining to the claim;

6. copies of any checks, money orders, receipts, or other proofs of payment;

7. the form of the claimant's loss (e.g. money, securities or other property);

8. the amount of loss and the date when the loss occurred;

9. the date when the claimant discovered the loss, and how the claimant discovered the loss;

10. the lawyer's dishonest conduct;

11. the name of the person, if any, to whom the loss has been reported (e.g. county attorney, police, disciplinary agency, or other person or entity) and a copy of any complaint and description of any action that was taken;

12. the source, if any, from which the loss can be reimbursed including any insurance, fidelity or surety agreement;

13. the description of any steps taken to recover the loss directly from the lawyer, or any other source;
14. the circumstances under which the claimant has been, or will be, reimbursed for any part of the claim (including the amount received, or to be received, and the source); along with a statement that the claimant agrees to notify the Fund of any reimbursements the claimant receives during the pendency of the claim;

15. the existence of facts believed to be important to the Fund’s consideration of the claim;

16. the manner in which the claimant learned about the Fund:

17. the name, address and telephone number of the claimant's present lawyer;

18. the claimant's agreement to cooperate with the Fund in reference to the claim or as required by Rule 16, in reference to civil actions which may be brought in the name of the Fund pursuant to a subrogation and assignment clause which shall also be contained within the claim.

19. the claimant’s agreement to repay the Fund if the claimant is subsequently reimbursed from another source;

20. The name and address of any other state Funds to which the claimant has applied or intends to apply for reimbursement, together with a copy of the application; and

21. A statement that the claimant agrees to the publication of appropriate information about the nature of the claim and the amount of reimbursement if reimbursement is made.

C. Claimants must substantially complete the claim form and provide satisfactory evidence of a reimbursable loss in order to have the claim deemed “filed” with the Fund. The claim shall be filed with the Trustees by addressing the completed claim and supporting evidence to the Phoenix office of the State Bar of Arizona.

D. Claimants shall provide such additional information as requested by the Trustees or staff in order to assist in the consideration of the claim.

RULE 5 FUNDING

A. The Supreme Court of Arizona, pursuant to Ariz.R.S.Ct. 32(c)7 and 8, requires that all active and inactive members of the State Bar shall contribute to the Fund annually, in an amount established by the Court.

B. A lawyer whose dishonest conduct has resulted in reimbursement to a claimant shall make restitution to the Fund, including interest and the expense incurred by the Fund in processing the claim.
C. The Trustees may invest such balances as are in the Fund, in accordance with the Board’s investment policy. All income realized from such investments, realized capital appreciation, restitution, annual member assessments, and all other income shall accrue to the Fund.

RULE 6 FUNDS

A. All monies or other assets of the Fund shall constitute a trust and shall be held in the name of the Fund, as required by Ariz.R.S.Ct.32(c)7 and 8.

B. All administrative expenses incurred in the administration of the Fund by the State Bar, including but not limited to, salaries, reproduction, telephone, postage, travel, accommodations, rent, overhead, costs of investigation, clerical expenses, and expenses of hearings shall be paid from the Fund.

RULE 7 BOARD OF TRUSTEES

A. The Board of Trustees shall consist of five trustees who shall be appointed by the Board.

B. Any active or judicial member in good standing with the State Bar of Arizona who shall have practiced law or served in a judicial capacity in the State of Arizona for at least ten (10) years shall be eligible for appointment as a Trustee; provided, however, that no more than two (2) lawyer Trustees shall, at any time, reside in the same county. The Board in its discretion may appoint one non-lawyer Trustee.

C. Trustees shall be appointed for terms of five (5) years. Trustees may serve no more than two five-year terms. The Board may remove a Trustee for cause at any time.

D. Any vacancy occurring during a term shall be filled by the Board for the unexpired portion of the term.

E. The Trustees shall have the authority to elect from among their members, a chairperson, a secretary, and a treasurer. A Trustee elected as treasurer shall procure a personal surety bond in adequate amount to cover all Trustees and staff of the Fund, and the cost thereof shall be considered an administrative expense of the Fund.

F. The Trustees shall serve without compensation, but shall be entitled to reimbursement from the Fund, if no other source of funds is available, for their expenses reasonably incurred in performance of their duties as Trustees, including transportation, meals and lodging, on the same basis as the expenses of the Board are reimbursed.
RULE 8 TRUSTEE MEETINGS

A. The Trustees shall meet as frequently as necessary to conduct the business of the Fund and to timely process claims.

B. The chairperson shall call a meeting at any reasonable time or upon the request of at least two Trustees. Meetings may be held telephonically. Alternatively, the Trustees may elect to vote on claims in writing, by email, or by other reasonable means without a meeting, with a majority of the Trustees submitting written votes.

C. Three Trustees shall constitute a quorum. A majority of the Trustees present at a meeting may exercise any powers held by the Trustees.

RULE 9 DUTIES AND RESPONSIBILITIES OF TRUSTEES

The Trustees shall have the following duties and responsibilities:

A. To receive, evaluate, determine and pay claims;

B. To promulgate rules of procedure not inconsistent with these Rules;

C. To invest Fund money in accordance with the Board’s investment policies;

D. To insure that the Fund maintains sufficient reserves to pay present and future claims.

E. To provide a full report at least annually to the Board and to make other reports as necessary;

F. To publicize activities of the Fund to the public and the Bar;

G. To employ adequate staff to assure the Fund’s effective and efficient functions;

H. To retain and compensate consultants, investigators, accountants, agents, and legal counsel and other persons as necessary;

I. To prosecute claims for restitution to which the Fund is entitled;

J. To engage in studies and programs for client protection and prevention of dishonest conduct by lawyers;

K. To promote effective communication between lawyer disciplinary authorities and the Fund;

L. To perform all other acts necessary or proper for the fulfillment of the purposes and effective administration of the Fund; and
M. To prepare a form of application for reimbursement upon which all claims shall be made.

**RULE 10 CONFLICT OF INTEREST**

A. A Trustee who has or has had a client-lawyer relationship or financial relationship with a claimant or lawyer who is the subject of a claim shall not participate in the investigation or adjudication of a claim involving that claimant or lawyer.

B. A Trustee with a past or present relationship, other than as provided in Paragraph A, with a claimant or lawyer whose alleged conduct is the subject of a claim, shall disclose such relationship to the Trustees and, if the Trustees deem appropriate, that Trustee shall not participate in any proceeding relating to such claim.

C. A Trustee may recuse himself or herself from consideration of a claim for any reason.

**RULE 11 IMMUNITY**

The Trustees, employees, and agents of the Fund shall be absolutely immune from civil liability for all acts performed in the course of their official duties pursuant to Ariz.R.S.Ct.48(1). Absolute immunity shall also extend to claimants and lawyers who assist claimants with any claim or communications with the Fund.

**RULE 12 PROCESSING OF CLAIMS**

A. Whenever it appears, upon initial review by Fund administrators, that a claim is not eligible for consideration by the Trustees, pursuant to Rule 3, Paragraphs A, B, D, E, or F, the claimant shall be advised of the reasons why the claim is not eligible, and that unless additional facts to support eligibility are submitted to the Fund within thirty (30) days of the date of letter of notification of insufficiency, the claim file shall be closed. If the claimant submits sufficient additional supporting facts within the thirty days, the claim shall be processed as set forth below.

B. A copy of each claim shall be sent to each Trustee once the claim has been deemed materially complete by the Fund administrators. A copy shall be sent by certified mail to the lawyer at his or her last known address, his estate or other representative. The lawyer shall have thirty (30) days from the date of mailing of the notice of claim to provide the Trustees with a written response to the claim.

C. Staff shall review each claim and conduct an investigation as seems necessary and appropriate in order to assist the Trustees in deciding the eligibility for reimbursement. Staff and/or the Trustees may request additional information from the claimant with respect to the alleged dishonest conduct. To the extent permitted by Ariz.R.S.Ct.70, the State Bar shall allow the Trustees to have access to its files and records, if any, pertaining to the dishonest conduct
alleged. Information from documents obtained by the Fund shall be used solely for the purpose of determining the validity of the claim and shall not be otherwise disclosed. The Trustees shall consider findings and restitution orders in discipline matters, but are not bound by them in determining claims.

D. At the request of a Trustee, or at the written request of either the claimant or the lawyer alleged to have caused the loss, the Trustees may afford both the claimant and the lawyer an opportunity to be heard by the Trustees. The request for a hearing shall be filed with the Phoenix office of the State Bar within thirty (30) days after the lawyer receives notice of the claim. Any such proceeding shall be informal and all relevant testimony and evidence may be received. Absent such a request, a claim shall be processed on the basis of the information obtained in the application for reimbursement, any information obtained by Staff and any written response from the lawyer.

E. If a claim has been denied by the Trustees, a claimant may request reconsideration of the determination within thirty (30) days of said denial by submitting a written request to the Trustees at the Phoenix office of the State Bar. A claimant may not seek reconsideration if the Trustees approve any amount of payment of a claim, even if the payment approved is less than the amount requested in the claim. If a claimant fails to make a request or the request is denied, the decision of the Trustees shall be final. Written notice of the Trustees’ decision on the request for reconsideration shall be given to all interested parties.

**RULE 13  PAYMENT OF REIMBURSEMENT**

A. In authorizing payment of claims, the Trustees shall not award more than $100,000 to any one claimant and shall not award more than $200,000 in the aggregate on account of claims arising out of the dishonest conduct of any one lawyer. Commencing on June 1, 2009, the Trustees shall not award more than $250,000 in the aggregate on account of claims arising out of the dishonest conduct of any one lawyer. The Trustees are authorized to exceed these limits only in extraordinary circumstances and only by unanimous vote of all Trustees and the approval of the Board of Governors.

B. The Trustees shall determine, in their sole discretion, whether a claim merits reimbursement from the Fund and the amount, time, manner of its payment and the conditions upon which payment shall be made. Unless the Trustees direct otherwise, no claim shall be paid until the expiration of six months following the death, transfer to disability inactive status, suspension, interim suspension, disbarment of the lawyer, or conviction of a felony in a prosecution arising out of facts which give rise to the claim, as the case may be.

C. Determination of amount of claim.

1. If the aggregate of all claims pertaining to a lawyer which are filed prior to the expiration of the six-month period and approved for payment by the Trustees is less than the $200,000 limitation, not exceeding $100,000 to any one claimant, then all such approved claims may be paid in full; provided, however, if any approved claimant has not completed exhaustion
of their remedies against any insurance policy, bond, or any other reasonable source of recovery, payment to such claimant shall be withheld until they have realized final recovery thereon.

2. If the aggregate of all claims exceeds the $200,000 limitation, then all such approved claims, not exceeding $100,000 to any one claimant, may be paid on the basis of a pro rata sharing of the $200,000; provided, however, if any approved claimant has not exhausted their remedies against any insurance policy or bond or any other reasonable source of possible recovery, no part of the claim shall be paid at that time, but the other claimants shall receive payments on their claims with all approved claims, including such claims not to be paid at that time, being included in their apparent maximum allowable amounts to determine the initial pro rata shares. When the aforementioned claimant whose remedies were not exhausted has realized their final recovery, the pro rata shares of all claimants shall be recalculated and final payment shall be made to them. In the event any claimant does not or is unable to realize final recovery on the insurance policy or bond or other means of recoupment within one year following the expiration of the six months mentioned in sub-part 1, supra, the Trustees are authorized to establish, in their absolute discretion, the net amount of the claim which ought to be paid by the Trustees in view of the claim on claimant’s insurance policy or bond or other source and thereupon to recalculate the pro rata claims of all claims and to make final payment thereon.

3. If the claimant’s full and complete recovery on all known insurance policies and bonds or other sources would not, in the judgment of the Trustees, reduce the amount of the allowable claim under the terms of this Declaration of Trust, then sub-parts 1. and 2., supra, for withholding final payment on the claim shall not apply.

4. In the event the $200,000 limitation per lawyer is not exhausted by the claims filed within the six months mentioned above, approved claims that are filed subsequent to the expiration of six months shall be granted priority on the basis of the date of filing, the earlier claim to be paid the full amount allowed before payment on any claim filed thereafter, until the $200,000 limitation has been reached.

**RULE 14 REIMBURSEMENT FROM THE FUND IS A MATTER OF GRACE**

No person or entity shall have any legal right to reimbursement from the Fund whether as claimant, third-party beneficiary, or otherwise. Decisions on claims are in the sole and absolute discretion of the Trustees, and all decisions on requests for reconsideration by the Trustees are final.

**RULE 15 RESTITUTION AND SUBROGATION**

A. A lawyer whose dishonest conduct results in reimbursement to a claimant shall be liable to the Fund for restitution; and the Fund may bring such action as the Trustees deem advisable to enforce such obligation.
B. A lawyer whose dishonest conduct has resulted in reimbursement to a claimant shall make restitution to the Fund including interest and the expense incurred by the Fund in processing the claim. A lawyer’s failure to make satisfactory arrangement for restitution shall be cause for suspension, disbarment, or denial of an application for reinstatement.

C. As a condition of reimbursement, and to the extent of the reimbursement provided by the Fund, a claimant shall be required to provide the Fund with a transfer of the claimant's rights against the lawyer, the lawyer's legal representative, estate or assigns; and of the claimant's rights against any third party or entity who may be liable for the claimant's loss.

D. Upon commencement of an action by the Fund as subrogee or assignee of a claim, it shall advise the claimant, who may then join in such action to recover the claimant's unreimbursed losses.

E. In the event that the claimant commences an action to recover unreimbursed losses against the lawyer or another entity that may be liable for the claimant's loss, the claimant shall be required to notify the Fund of such action.

F. The claimant shall be required to agree to cooperate in all efforts that the Fund undertakes to achieve restitution for the Fund, and to repay the Fund if claimant is subsequently reimbursed from another source an amount that exceeds the difference between the principal misappropriated and the Fund award. Such repayment shall not exceed the amount of the Fund award.

RULE 16 CONFIDENTIALITY

A. Claims, proceedings and reports involving claims for reimbursement are confidential until the Trustees authorize reimbursement to the claimant, except as provided below, unless provided otherwise by law. After payment of the reimbursement, the Fund shall publicize the nature of the claim, the amount of reimbursement, and the name of the lawyer. The name and the address of the claimant shall not be publicized by the Fund unless specific permission has been granted by the claimant.

B. This Rule shall not be construed to deny access to relevant information by professional discipline agencies or other law enforcement authorities as the Trustees may authorize, or the release of statistical information that does not disclose the identity of the claimants.

RULE 17 COMPENSATION FOR REPRESENTING CLAIMANTS

No lawyer shall receive or accept payment for assisting or representing a claimant in a Client Protection Fund claim unless such payment has been approved in advance by the Trustees.
TERM

This amended and restated Declaration of Trust shall remain in full force and effect as now adopted and shall only be amended by the Board by instrument in writing.

The Board shall retain the right to amend or revoke this trust by instrument in writing, except that revocation must be approved by the active members of the State Bar of Arizona at an annual meeting duly assembled.

Dated May 30, 2008

Daniel J. McAuliffe, President
COMMUNICATING WITH THE MEDIA

The State Bar of Arizona aims to have accurate, timely, open and effective communication with the news media. Our communication practices should help develop and maintain positive relationships with media members. We seek to help the media and the public better understand the legal profession, justice system and the role, responsibilities, and actions of the State Bar.

The State Bar President is the official spokesperson for the organization and the Board of Governors. The president-elect may act as the spokesperson in the absence of the president. The State Bar CEO/Executive Director or Director of Communications may also speak on behalf of the organization.

Media contact and communication should be coordinated through the Director of Communications to ensure a consistent and strategic response. If you are unable to reach the Director of Communications, contact the CEO/Executive Director.

Board members who are not designated as a State Bar spokesperson should clearly indicate they are not speaking on behalf of the organization if s/he communicates with the news media on law-related issues. Board members should alert the Director of Communications when they communicate with the media in their role as a board member.

These steps will help provide the best possible service to the media while also ensuring the organization portrays itself in a positive, accurate and strategic manner.

This is not a Board policy but a process that is followed.
EMERGENCY PHONE NUMBERS
BOARD OF GOVERNORS
2010-2011

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Joseph Kanefield  602-625-6223 (c)
Amelia Craig Cramer  520-401-6314 (c)
Whitney Cunningham 928-853-1740 (c)
Richard T. Platt  520-723-7678 (c)

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Richard Coffinger  602-465-3545 (c)
Michael Crawford  520-548-5999 (c)
Tom Crowe * 602-553-0377 (h);
(friend) Paul de Blank 602-690-0450 (c); 602-266-7160 (h)
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Jana Flagler  520-234-8726 (c); Christopher Flagler 520-249-3910
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EMERGENCY PHONE NUMBERS
BOARD OF GOVERNORS
2010-2011
Page Two

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Ex Office
Board of Governors
Meeting Schedule
2010-2011

All meetings -- unless otherwise indicated -- are held on a Friday in the 3rd floor Board Room of the Arizona Bar Center (4201 N. 24th Street, Phoenix). Executive Sessions begin at 8:30 a.m.; the Open Sessions at 9:00 a.m.

<table>
<thead>
<tr>
<th>2010</th>
<th>Mtg. Dates</th>
<th>Additional Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>8-9</td>
<td><strong>Board Retreat</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Radisson Woodlands Hotel, Flagstaff, AZ)</td>
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<tr>
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<td>(CLE by the Sea, July 13-16, San Diego, CA)</td>
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<td>(ABA/NABE/NCBP/NCBF Annual Meeting, Aug 5–10, San Francisco, CA)</td>
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<tr>
<td>August</td>
<td>*</td>
<td>* No August Meeting</td>
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<tr>
<td>September</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>29</td>
<td>(Columbus Day, October 11, 2010)</td>
</tr>
<tr>
<td>November</td>
<td>19</td>
<td>(AWLA 31st State Anniversary Celebration, November 5, 2010, Location TBD)</td>
</tr>
<tr>
<td>December</td>
<td>17</td>
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<tr>
<td>2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>28</td>
<td>(Martin Luther King Day, January 17, 2011)</td>
</tr>
<tr>
<td>February</td>
<td>25</td>
<td>(ABA Mid-year Meeting, February 9-15, Atlanta, GA)</td>
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<td>(President’s Day February 14, 2011)</td>
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<tr>
<td>March</td>
<td>25</td>
<td>(ABA BLI March 10-11, Chicago, IL)</td>
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<td>(Western States Bar Conference, March 29-April 3, 2011 at the Hyatt, Maui, HI)</td>
</tr>
<tr>
<td>April</td>
<td>29</td>
<td>(ABA Day in Washington D.C., April 12-14, 2011 at the Hyatt Regency Washington on Capital Hill)</td>
</tr>
<tr>
<td>May</td>
<td>20</td>
<td>(Mother’s Day May 8 &amp; Memorial Day May 30, 2011)</td>
</tr>
<tr>
<td>June</td>
<td>14</td>
<td>2:00 p.m. BoG Meeting will be held Tuesday at the Westin La Paloma; Annual Convention (June 15-17 at the Westin La Paloma, Tucson, AZ)</td>
</tr>
<tr>
<td>July</td>
<td>21-22</td>
<td><strong>Board Retreat</strong> – Prescott, AZ; CLE by the Sea, July 13-16, San Diego, CA</td>
</tr>
<tr>
<td>August</td>
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<td>(ABA/NABE/NCBP/NCBF Annual Meeting, Aug 4-9 2011 in Toronto, Canada)</td>
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</tbody>
</table>
## SCOPE AND OPERATIONS MEETING

### CALENDAR

**2010** – Meetings will be held on Thursday’s at 12:00 pm except where noted.

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>JUNE 25, 2010</td>
<td>12:00 pm – 2:00 pm</td>
<td>Boardroom</td>
</tr>
<tr>
<td>SEPTEMBER 16, 2010</td>
<td>12:00 pm – 2:00 pm</td>
<td>Cholla Room (2(^{nd}) Floor)</td>
</tr>
<tr>
<td>OCTOBER 21, 2010</td>
<td>12:00 pm – 2:00 pm</td>
<td>Boardroom</td>
</tr>
<tr>
<td>NOVEMBER 11, 2010</td>
<td>12:00 pm – 2:00 pm</td>
<td>Boardroom</td>
</tr>
<tr>
<td>DECEMBER 9, 2010</td>
<td>12:00 pm – 2:00 pm</td>
<td>Boardroom</td>
</tr>
</tbody>
</table>

**2011**

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>JANUARY 20, 2011</td>
<td>12:00 pm – 2:00 pm</td>
<td>Boardroom</td>
</tr>
<tr>
<td>FEBRUARY 17, 2011</td>
<td>12:00 pm – 2:00 pm</td>
<td>Boardroom</td>
</tr>
<tr>
<td>MARCH 17, 2011</td>
<td>12:00 pm – 2:00 pm</td>
<td>Boardroom</td>
</tr>
<tr>
<td>APRIL 21, 2011</td>
<td>12:00 pm – 2:00 pm</td>
<td>Boardroom</td>
</tr>
<tr>
<td>MAY 12, 2011</td>
<td>12:00 pm – 2:00 pm</td>
<td>Boardroom</td>
</tr>
<tr>
<td>JUNE 7, 2011</td>
<td>12:00 pm – 2:00 pm</td>
<td>Boardroom</td>
</tr>
</tbody>
</table>
Standing Board Committee/Task Force-Assignments 2010-2011

**Amicus**
Richard Platt, Chair  
Michael Crawford  
Virginia Herrera-Gonzales  
Chris Jensen  
**Staff:**  
Pat Sallen (Primary)  
Maret Vessella (Alt.)

**Discipline Oversight**
Richard Platt, Chair  
Alan Bayham, Jr.  
Jennifer Burns  
Dave Byers/Alternate Mike Baumstark  
Amelia Craig Cramer  
Michael Crawford  
Steve Dichter  
H. Leslie Hall  
**Staff:**  
Lucinda Crowley (Admin)  
John Phelps  
Amy Rehm (Alt.)  
Maret Vessella (Primary)

**Finance & Investment Committee**
Joe Kanefield, Chair  
Richard Platt (Sec/Tres), Vice-Chair  
Dave Byers/Alternate Mike Baumstark  
Tom Crowe  
Whitney Cunningham  
Meredith Peabody  
**Staff:**  
Tom Johnson (Primary)  
Christine Oxford (Alt.)  
John Phelps

**Audit Committee**
Frank Barriga, Chair  
Richard Platt, Vice-Chair (bylaws req. Audit & FC Sec/Tres)  
Richard Coffinger  
Virginia Herrera-Gonzales  
Dee-Dee Samet  
**Staff:**  
Tom Johnson (Primary)  
Christine Oxford (Alt.)

**Human Resources**
John Sullivan, Chair  
Bryan Chambers  
Alex Jamison  
Lisa Loo  
Meredith Peabody  
Jim Smith  
**Staff:**  
Patty Berg (Primary)  
I. Godwin Otu (Alt.)  
John Phelps

**Long Range Plan**
Ted Campagnolo, Chair  
Whitney Cunningham (2ndVP Bylaws req.)  
Frank Barriga  
Jennifer Burns  
Jennifer Flagler  
H. Leslie Hall  
Joe Kanefield  
Maricela Meza  
**Staff:**  
Rick DeBruhl (Alt.)  
John Phelps  
Carrie Sherman (Primary)

**Rules**
Bryan Chambers, Chair  
Amelia Craig Cramer  
Michael Crawford  
Tom Crowe  
Richard Coffinger  
Dee-Dee Samet  
**Staff:**  
John Furlong (Primary)  
Jim Lee (Alt.)  
Kathleen Lundgren (Admin)
Probable Cause Panel
Amelia Craig Cramer (Bylaws req.
(1st VP) Primary
Alternates:
Ted Campagnolo
Tom Crowe
Steve Dichter
Lisa Loo
ABA DELEGATES’ ATTENDANCE AT BOARD MEETINGS

The Board recognizes the importance of enhancing the lines of communication between the Board and its Delegates. In order for the Board to keep current on issues being addressed at the national level, and for the Delegates to be fully apprised of issues being studied by State Bar task forces and other groups, the Board adopted a policy whereby each Delegate is to attend one-third of the Board meetings calendared within a given Bar year (June to June). The Delegates may divide the meetings up to suit their individual schedules.

Adopted by the Board of Governors on May 17, 2002.
STATE BAR OF ARIZONA  
BOARD OF GOVERNORS  
ELECTION RULES

In furtherance of Rule 32, Rules of the Arizona Supreme Court, and Article VII of the Bylaws of the State Bar of Arizona, the Board of Governors establishes the following rules governing Board elections:

1. Election Tellers, three State Bar members, are to be randomly selected by the Membership Records computer. One teller is to be employed by a large firm, one employed by a small firm or be a sole practitioner, and one employed in the government/public sector.

2. Any candidate running for election to the Board of Governors may submit biographical information for inclusion with the ballot. Said information may outline the candidate's education, work experience, law-related professional activities, political platform and/or any other statement the candidate deems appropriate. Maximum length of 125 words. These statements and each candidate's photograph shall be mailed to all eligible voters along with the ballot. The president of the Young Lawyers Division (YLD), should that person decide to run for election to the Board of Governors at the end of his or her presidency, is not considered an incumbent of the Board of Governors.

3. The editor of Arizona Attorney shall annually formulate one broad question for each candidate to respond to. Responses not to exceed 200 words, photographs and biographical data will be published in Arizona Attorney prior to the election. In districts with contested elections, the State Bar of Arizona may sponsor candidate forum(s) to further generate interest among the membership in the election.

4. Each candidate shall be entitled to receive, upon his or her request, one free set of mailing labels for those members eligible to vote in his or her district. Alternatively, each candidate may elect to send, upon his or her request, one free text only electronic mail message, the body of which must be 600 words or less, to those members eligible to vote in his or her district for whom the State Bar has electronic mail addresses. Each candidate who elects to send an electronic mail message may receive, upon his or her request, one free set of mailing labels for those members eligible to vote in his or her district for whom the State Bar does not does not have an electronic email address. In accordance with existing Bar policies and procedures regarding advertising to lawyers through direct mail, candidates may purchase additional mailing lists or labels.
5. Ballots are mailed to active and judicial members only. The ballots shall be mailed to those entitled to vote at least thirty (30) days prior to the date of canvassing the ballots, shall be postmarked or delivered to the executive director by the deadline indicated on the ballots, and canvassed at the ensuing annual meeting.

6. Return ballot envelopes require a printed, typed or stamped name and the voter's signature or the ballot will not be counted.

7. In districts electing more than one governor, members cast a number of votes not to exceed the number of vacant seats and not more than one vote per candidate.

8. The Board of Governors election process is an open process. The following guidelines have been adopted in order to accommodate anyone wishing to observe any portion of the opening and/or counting of the election ballots:

   a) Anyone, other than candidates running for election to the Board of Governors, may be present at the time staff meets with the Election Tellers and when staff opens and tabulates the election ballots. At the discretion of the Executive Director or the Executive Director's designee, the number of observers may be limited to a "first come, first served basis."

   b) Guests are to sign in upon arrival and sign out upon departure of "election central."

   c) Guests are required to remain behind the dividers so as not to impede staff's duties.

   d) Guests may not touch or handle any of the election materials.

   e) Guests should direct all inquiries to the State Bar's representative (i.e., the Executive Director or the Executive Director's designee) who shall remain in the room at all times during the election process.

   f) The election process will not be halted to accommodate guests' inquiries or breaks.
State Bar of Arizona
Board of Governors Election Rules

g) The schedule depicting the opening and counting of election ballots will be posted at the Arizona Bar Center and mailed to each candidate at least 10 days prior to the start of the process.

h) Election results, i.e., the Election Tellers' Report, will be mailed to each candidate prior to the Annual Convention. Anyone may receive a copy of the Election Tellers' Report, after the candidates' notification, by contacting the Executive Director.

9. In the event of a tie vote, the Board determines by lot which candidates will be elected, in the presence of the candidates.

10. In the event a candidate contests the election results, the ballots will be recounted in the presence of the candidate, the Executive Director (or his/her designee), the President-Elect, one Public Board Member (appointed by the President), the volunteers who served as Election Tellers, and a member of the Board’s outside auditing firm. A candidate must notify the Executive Director in writing of his/her challenge within five working days of being notified of the apparent outcome of the election, and prior to the Board of Governors’ certification of the Election Tellers’ Report. The candidate who contests the results will be responsible for any costs incurred in conducting a recount should the challenge prove unsuccessful.

Adopted by the Board of Governors 03/18/94; amended by the Scope and Operations Committee 03/20/97; amended by the Board of Governors 12/19/03; amended by the Board of Governors 5/30/08.

Comment to 1997 Amendment: Rule 2 -- YLD President is not considered an incumbent of the Board should he/she choose to run for election to the Board at the conclusion of his/her term as YLD president.

Comment to 2003 Amendment: Introductory paragraph – change “Rule 31” to “Rule 32”. Rule 3 – Add “not to exceed 200 words” after “responses”; change “will sponsor” to “may sponsor”. Rule 4 -- Addition of providing candidates the option of sending one free text only (600 word maximum) electronic mail message to respective constituents.

Comment to 2008 Amendment: New Rule 10 establishes a process to conduct a recount if the election results are contested.
BOARD MEETING ATTENDANCE

A Board member, elected or appointed, may be removed from Board service after three (3) unexcused absences during A Bar year (June to June). Failure to notify the President and/or the Executive Director of the impending absence, in advance of a Board meeting, constitutes an unexcused absence.

Adopted by the Board of Governors on April 18, 2002.

Amended, as recommended by the Board Governance Committee, by the Board of Governors on April 18, 2002. Comment: This change clarifies that all Board members are subject to this policy, clarifies the one year timeframe, and clarifies the definition of “unexcused absence.”
BOARD MEMBERS’ ATTENDANCE AND VOTING BY TELEPHONE

Attendance of Board members at regularly scheduled Board meetings by telephone will only be permitted in emergencies. A maximum of two (2) teleconference calls per Board member per Bar year (June to June) are allowed. The State Bar President determines whether or not participation by telephone will be permitted. The Board member is responsible for paying his/her portion of the charges within 30 days following the Board meeting.

Adopted by the Board of Governors on April 18, 2002.

Amended, as recommended by the Board Governance Committee, by the Board of Governors on April 18, 2002. Comment: This change clarifies that the policy covers “regularly scheduled Board meetings” and limits the number of calls per Board member per Bar year.
BOARD MEMBERS SERVING AS ABA DELEGATES

It is the policy of the Board of Governors that at least one of the American Bar Association House of Delegates members appointed by the Board of Governors shall be an attorney member of the Board at the time of appointment. This policy will become effective with the appointment of the next vacancy occurring in 2004.

Adopted by the Board of Governors on September 19, 2003.
CONFLICTS OF INTEREST: PROHIBITION ON BOARD MEMBERS SERVING AS HEARING OFFICERS OR RESPONDENT’S COUNSEL

[Formerly titled: Appointment of Board Members as Hearing Officers]

In order to avoid conflicts of interest and any appearance of impropriety, no member of the Board of Governors of the State Bar of Arizona shall be appointed to serve as a Hearing Officer nor shall represent a party in any disciplinary matter nor serve in such capacity for one year after the expiration of his/her term.

It should be noted that, even after the expiration of this one-year period, a former Board member’s service as a Hearing Officer or respondent’s counsel in any disciplinary matter will be subject to the Ethical Rules, including ER 1.7 and 1.9 which address conflicts of interest.

The “client” representative for the State Bar of Arizona for purposes of granting informed consent to waive any potential or actual conflict of interest under ER 1.7 and/or ER 1.9 shall be the Chief Bar Counsel.

Adopted by the Board of Governors on September 23, 1988.

June 2004: Technical amendment.

Amended and Adopted by the Board of Governors on August 22, 2008. Comments: title changed; deleted reference to representing a party in examination and character and fitness matters; shortened prohibition from two years to one; added paragraphs 2 and 3.
Contribution Philosophy of the State Bar of Arizona
(This Policy was approved unanimously by the Finance Committee on September 25\textsuperscript{th} and distributed to the BOG at the September 26\textsuperscript{th} meeting. BOG discussion was deferred until the November 2008 meeting.)

The State Bar of Arizona (SBA) is a membership association incorporated as a 501(c)(6) entity whose financial objective is to break even on an annual basis, having used all sources of revenue to deliver the maximum benefit to its members and the public. The SBA must spend its members’ dues contributions in a judicious manner. The SBA recognizes the value of supporting Arizona-based, sister Bar organizations that serve local counties and distinct groups of lawyers, including groups of women and minorities, and the SBA will consider solicitations for contributions to any of these organizations not to exceed $1,000 annually. It is the preference of the SBA to promote diversity in the profession and within the SBA itself by supporting events at which SBA members who are not members of the sister Bar organization are able to interact with members of the sister Bar organization, such as dinners, golf events, etc., and not to make contributions of a general fund nature such as scholarship fund raising drives.

Approved by the Board of Governors unanimously on November 21, 2008.
State Bar of Arizona Electronic Discussion Group Policy

1. Abusive, defamatory, obscene, threatening and other offensive language and/or images are not permitted. All conduct shall be consistent with the Rules of Professional conduct.

2. The State Bar of Arizona has the right to reject and control the distribution of electronic messages delivered through its e-mail and electronic discussion group system. The State Bar President, Executive Director or Communications Director can authorize the removal of participants who violate any of these policies.

3. The State Bar of Arizona accepts no liability and disclaims all responsibility for the opinions and information posted on its electronic discussion groups and doesn’t endorse any products or services discussed herein.

Adopted by the Board of Governors November 21, 2003
HANDLING OF EMPLOYEE CONCERNS AND/OR COMPLAINTS
(For Board Members)

The State Bar of Arizona provides its employees a procedure for resolution of their concerns and/or complaints. This procedure is outlined in the Employee Concerns and Resolution Policy. Employees shall not be retaliated against by virtue of having brought forward a concern and/or complaint.

In most instances, management is the most appropriate reviewing authority for employee concerns and/or complaints, since management has day-to-day involvement in and responsibility for the organization’s operations and, therefore, can ensure consistency in the handling of employees’ work-related issues. There may be times, however, when it is appropriate for an employee concern and/or complaint to be reviewed by the Board or one of its committees. This policy provides guidelines for Board members, to ensure the most appropriate, consistent and timely handling of employee concerns and/or complaints that are elevated to the Board level.

Board members who receive an employee concern and/or complaint regarding the Executive Director shall encourage the employee to follow the steps outlined in the Employee Concerns and Resolution Policy and immediately refer the matter to the President or the President-Elect. The President or President-Elect shall ensure that the matter is appropriately handled pursuant to the Policy.

Board members who receive an employee concern and/or complaint regarding any member of senior management shall encourage the employee to follow the steps outlined in the Employee Concerns and Resolution Policy and immediately refer the matter to the Executive Director. The Executive Director shall review the matter and respond to the employee in accordance with the policy. If, upon receipt of the Executive Director’s response, the employee chooses to elevate the complaint to the Board, he/she must direct the issue in writing to the President or President-Elect. The President or President-Elect shall ensure that the matter is appropriately handled pursuant to the policy.

Board members who receive an employee concern and/or complaint regarding any other staff member shall encourage the employee to follow the steps outlined in the Employee Concerns and Resolution Policy.

Nothing in this policy is intended to inhibit the normal and necessary interaction between staff and Board members regarding Bar activities. In referring matters to the President or President-Elect, however, employees are expected to exercise good judgment and refer only matters which are of a sufficiently serious nature to warrant involvement by the Board in the internal operations of the organization. Employees are expected to recognize that the members of the Board are volunteers and first consider whether their concerns and/or complaints can be resolved directly with their department head, the Director of Human Resources, or the Executive Director.

Revised: July 2004
HOUSE OF DELEGATES TRAVEL REIMBURSEMENT POLICY

The Board of Governors will reimburse its delegates to the American Bar Association (ABA) meetings on the basis of reasonable expenses for one night for each day the House of Delegates actually meets, plus the night prior to the first meeting. Included is roundtrip coach airfare – only for the Annual ABA Meeting in August as the ABA reimburses the delegates for their airfare for the Midyear (February) Meeting – and a hotel room at the convention rate.

Approved by the Board of Governors – July 1988
LAW SCHOOL DEANS STATUS ON THE BOARD OF GOVERNORS

The two three law school deans are ex-officio, non-voting members of the Board, allowed to attend both open and executive sessions.

Amended as recommended by the Board of Governors on September 21, 2007, effective immediately. Comment: This is amended so as to include the newly ABA accredited Phoenix School of Law.
POLICY REGARDING MEETING FACILITIES

It is the policy of the State Bar to hold meetings only in those facilities that do not discriminate on the basis of race, sex, national origin, physical or mental disability or religion.

Policy Adopted by Board of Governors - 1992
OFFICERS TRAVEL POLICY

- The Bar should not pay the cost of spouse/guest travel (with regard to travel by said officers).
- No foreign travel but for Canada and Mexico.

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<tbody>
<tr>
<td>State Bar of Texas Convention</td>
<td></td>
<td>June</td>
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<tr>
<td>New Mexico State Bar Convention</td>
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<td>Other State Bars’ Conventions</td>
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<td>ABA Annual Meeting</td>
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<td>August</td>
<td>x</td>
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<tr>
<td>ALPS Conference</td>
<td>No cost to Bar</td>
<td>Summer</td>
<td>x</td>
<td>x</td>
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<tr>
<td>ABA Midyear Meeting</td>
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<td>February</td>
<td>x</td>
<td>x</td>
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<tr>
<td>ABA Bar Leadership Institute (BLI)</td>
<td></td>
<td>March</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Western States Bar Conference (WSBC)</td>
<td></td>
<td>March</td>
<td>x</td>
<td>x</td>
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<tr>
<td>ABA Day in Congress</td>
<td></td>
<td>April</td>
<td>x</td>
<td>x</td>
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</tbody>
</table>

Amended by the Board of Governors October 23, 1998. Comment: defined conference/travel options for president, president-elect and first vice president and personal management of respective budget.

Amended by the Board of Governors June 14, 2006. Comment: ratification of Bar’s current practice for reimbursement of officer travel consistent with (above) chart.

Amended by the Board of Governors June 26, 2007. Comment: ratification of the Scope and Operations Committee’s 5/3/07 action to allow any officer to attend the ABA’s BLI.
POLITICAL ACTIVITIES POLICY

It is the policy of the State Bar of Arizona that the Board of Governors, State Bar employees and Section, Task Force and Committee members (hereinafter collectively referred to as “Bar Leaders”) shall not engage in political activity on behalf of the State Bar of Arizona. Political activity refers to: partisan activities; campaigns; ballot referendums; elections involving primaries, partisan ballots, or partisan activities; and any other political activity.

This Policy does not prohibit or restrict the following lawful activities or uses of SBA Resources:

The lawful and permitted activities of lobbying, funding and supporting activities of a political or ideological nature that are reasonably related to the Bar’s core purposes, as outlined in the State Bar’s Bylaws at Article XIII, Sections 13.01 and 13.02, and as approved by the Board of Governors.

Bar Leaders and all others acting on the State Bar’s behalf must comply with the State Bar’s bylaws and policies, which generally prohibit the use of Bar resources to support or oppose candidates or political committees. Except for the lawful political contributions and activities described below, the SBA does not allow political campaign or partisan political activities at any SBA workplace or facility, and does not permit the use of the SBA name, logo or other resources including computers, telephones, e-mails, or employee work time for political campaigning, fund-raising, or partisan political activities.

SBA employees and Bar leaders have the right to participate individually in the political process, and to make voluntary contributions of their nonworking time and personal resources to support candidates and political parties of their choice. The SBA encourages employee involvement in the political process, but these activities must not in any way suggest SBA support or use SBA resources. SBA employees and bar leaders who choose to become candidates for a political office have the right to state that he or she is a member in good standing with the State Bar and may also list the ways in which he or she served the bar.

Adopted by the Board of Governors on March 19, 2010.
SECRETARIAL ASSISTANCE FOR THE BAR PRESIDENT

The State Bar will pay up to $200 per month for secretarial services for the Bar President.

Adopted by the Board of Governors on September 26, 1986.
PUBLIC MEMBER BOARD POSITIONS

The Board voted that the public member positions on the Board of Governors would exclude employees of the State Bar of Arizona.

Approved by the Board of Governors on March 22, 2002.
REIMBURSEMENT BY BOARD MEMBERS FOR EXPENSES CAUSED BY NON-ATTENDANCE

Any Board member who receives an “excused” absence, after confirmation of participation cannot be withdrawn or fails to attend events which he or she indicated he or she would attend, shall reimburse the State Bar for any expenses incurred, such as hotel room charges and meal expenses.

Approved by the Board of Governors – June 23, 1993.
BOARD OF GOVERNORS -- REIMBURSEMENT POLICIES

1. Mileage at the current I.R.S. reimbursable rate¹ will be paid to each Board member who attends a Board or Scope and Operations Committee meeting, or represents the State Bar on official business, in a county other than where the Board member resides.

2. Reasonable reimbursement for lodging will be paid to any Board member who stays overnight for attendance at any Board meeting which is not in the county in which the Board member resides and which takes place at the State Bar offices.

3. If the Board meeting is not being held at the State Bar offices and the State Bar has reserved hotel rooms for Board members, the State Bar will pay the expenses of a single occupancy room and meals. If the Board member elects to stay in a suite, the State Bar will reimburse the Board member for the amount of a single occupancy room with the additional amount to be the responsibility of the Board member.

¹May 2003: Technical amendment.

April 30, 2010 - Amended and adopted by the Board of Governors on April 30, 2010. Comment: Expands reimbursements to include attendance at Scope and Operations Committee meetings, as well as representing the State Bar on official Board business.
REQUEST FOR REIMBURSEMENT OF EXPENSES

It is the policy of the Board of Governors that mileage at the current I.R.S. reimbursable rate\(^1\) and reasonable reimbursement for lodging and meals be reimbursed to each attending member of the Board of Governors for the Board's regular and special meetings held in a county other than the county in which the Board member resides.

Name_________________________________________________________________________  
(Please Print)

Board of Governors Meeting:

Date_____________________________________________________________________
Location__________________________________________________________________

Mileage:_________ miles @ .50 cents (2010)\(^1\) $_________________
Hotel reimbursement:_________ nights $_________________
Other:__________________________________________   $_________________

Total Amount Requested:       $_________________

Please sign and return to the Executive Director's office.

_______________________________________________   $_________________
Signature

4201 N. 24\(^{th}\) Street  ♦  Suite 200  ♦  Phoenix, Arizona  ♦  85016-6288  ♦  (602) 252-4804
SECTION ENDORSEMENT OF BOARD CANDIDATES(S)

Sections of the State Bar of Arizona may not endorse a candidate(s) running for election to the Board of Governors. Since section activities are supported by mandatory dues, i.e., the Bar’s general fund, sections as a whole cannot publicly support a candidate(s) for election to the governing board. Individual section members, as individuals, can publicly support any candidate(s) he or she chooses.

Adopted by the Scope and Operations Committee on November 21, 1996.
STATE BAR OF ARIZONA  
POLICY GUIDELINES FOR VOLUNTEER PARTICIPATION AND CONFLICTS OF INTEREST

1. The Organization and its Members

The State Bar of Arizona (SBA) is an integrated, or mandatory, bar. As a non-profit professional organization, the SBA is generally exempt from income tax under Section 501(c)(6) of the Internal Revenue Code. There are five classes of members within the SBA: active, inactive, judicial, retired and suspended.

2. Purpose and Scope

The SBA relies on member volunteers to carry out the purposes of the SBA and benefits from the diversity of viewpoints provided by its members. It also values the services of its employees. The SBA must ensure that its member volunteers and employees act in the best interests of the SBA and in doing so avoid conflicts of interest. Members of the Board of Governors, Committee and Section members, members of SBA Task Forces and other ad hoc Bar activities, and SBA employees, all act as SBA “Bar Officials” when carrying out their duties and responsibilities on behalf of the SBA. Bar Officials must avoid using their SBA positions, resources or information for personal gain or benefit. They must also avoid creating a perception of improper use of position. The following policy is intended to supplement but not replace applicable laws or regulations governing conflicts of interest, and it applies to all Bar Officials as described above.

3. Volunteer Participation Guidelines

a. Attendance at Meetings. Active members of the SBA have an unqualified right to attend committee, section, and open meetings of the Board of Governors and other functions of the SBA unless otherwise prohibited by Supreme Court rule or SBA bylaws. Attendance at or participation in Executive Sessions of the Board of Governors or the Scope and Operations Committee shall be reserved for voting and ex-officio members of those bodies.

b. Appointment of Certain Members. Inactive, judicial, retired and suspended members may be appointed to committees/task forces or be approved to participate in events by the SBA President. Participation in a section shall be at the discretion of the Section Chair or Section Executive Council, as directed by that Section’s bylaws. Inactive or retired members are not entitled to assume any chair or other officer role within any of the committees, task forces, sections or other groups within the SBA, unless appointed or approved by the SBA President or otherwise authorized by SBA bylaws.

c. Appointment of Non-Members. The SBA President shall have discretion to appoint non-members to SBA standing committees with participation in any other groups governed by Supreme Court Rule or SBA bylaws. Non-members are not entitled to assume any chair or other officer role within any of the committees, task forces or other subgroups of the SBA without permission from the SBA President. In addition, non-member volunteers shall disclose potential conflicts of interest
to members of the groups in which they participate and to the Bar generally. This disclosure should be made in writing using the form provided and should be reflected in the minutes of the group. If non-member volunteers desire to do business with the SBA, they shall disclose to the CEO/Executive Director of the SBA, in writing, their intentions to pursue such opportunities.

d. Section Affiliates. Section Affiliates are non-lawyers or lawyers who are not members of the SBA but who wish to participate in SBA section activities. Affiliates may participate in a section only at the discretion of the Section Chair or Section Executive Council, as directed by that Section’s bylaws. Affiliates are not entitled to assume officer roles within a section.

4. Conflicts of Interest

a. Definition of Conflict of Interest. For purposes of this policy, a conflict of interest is defined as direct or indirect interest that a Bar Official has or may have with any person (including self) or entity that may benefit as a result of the Bar Official’s action or inaction. Examples include but are not limited to:

   (1) ownership of an equity interest in, or holding of a debt or other obligation of, a person or entity doing business or wishing to do business with the SBA;
   (2) holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) by any third party that wishes or may wish to influence the SBA;
   (3) receiving remuneration for services with respect to individual transactions involving the SBA;
   (4) using the SBA's time, personnel, equipment, supplies, or goodwill other than for approved SBA activities, programs, and purposes; or
   (5) receiving personal gifts or loans from third parties dealing with the SBA.

b. Disclosure of Conflicts of Interest. The existence of a real or potential conflict of interest shall be disclosed on a timely basis in the manner provided below. It shall be the continuing responsibility of Bar Officials to scrutinize their interests and relationships for potential conflicts with the interests of the SBA, and to make such disclosures.

Disclosure of a conflicting interest should be made as follows, and a transaction or other dealing with the persons involved in the conflicting interests should be undertaken only if both of the following are observed:

   (1) the transaction or dealing is fully disclosed to the person or persons described below; and
   (2) the transaction has been approved in the manner set forth below.

Disclosures shall be made to the SBA's CEO/Executive Director or the SBA President. If the CEO/Executive Director or President is involved in a real or potential conflict of interest, the disclosure shall be made to the Scope and Operations Committee and recorded in the Committee’s minutes.
For SBA employees, the CEO/Executive Director shall determine whether a conflict exists and is material. If a conflict of interest is found and material, the CEO/Executive Director shall determine the appropriate limits and safeguards necessary to protect the interests of the SBA. For member volunteers, the SBA President shall make the aforementioned determinations. For matters involving the CEO/Executive Director or President, the Scope and Operations Committee shall make such determinations.

c. Relationships in Which Conflicting Interests May Arise. Conflicting interests may arise in the relationships of Bar Officials with persons or entities:

(1) supplying goods or services to the SBA;
(2) with whom the SBA may deal in connection with the acquisition or disposition of real estate or other property;
(3) whose goals or intentions may differ from those of the SBA;
(4) who may directly or indirectly benefit from SBA decisions (e.g., family members, friends, other significant relationships).

d. Disclosure of Relationships in Which Conflicting Interests May Arise. Bar Officials may have career and other interests unrelated to the mission of the SBA that could be the source of potential conflicts of interest. Bar Officials shall disclose such activities or interests to all members of the Bar entity in which (s)he is participating. This disclosure shall be made periodically as requested by the CEO/Director or President, in writing using a designated form, and as appropriate reflected in the official minutes or records of the SBA. Bar Officials desiring to do business with the SBA shall disclose to the CEO/Executive Director of the SBA, in writing, their intentions to pursue such opportunities.

5. Conflict of Interest Voting Policy

No Bar Official involved in a conflict of interest shall vote or make a decision on any matter related to such interest. With the approval of the CEO/Executive Director for employees, and the President for volunteer members, Bar Officials may participate in the discussion of such matters.

6. Endorsements

Bar Officials shall not support or endorse persons, entities or positions that have not been expressly approved by the Scope and Operations Committee or the Board of Governors. This limitation does not preclude Bar Officials from such support or endorsement when acting in a personal capacity and not on behalf of the SBA.

7. Dissemination

A copy of these Policy Guidelines for Volunteer Participation and Conflicts of Interest shall be provided to each Bar Official.
STATE BAR OF ARIZONA
CONFLICTS OF INTEREST DISCLOSURE STATEMENT

Name ___________________________ Organization ________________________________

Existing or Proposed Participation (circle all that apply):

a. Member, Board of Governors, SBA
b. Member, Board of Directors, Arizona Foundation for Legal Services & Education
c. Bar member nominated or appointed to serve as a volunteer
d. Non-Bar member nominated or appointed to serve as a volunteer
e. Program speaker, panel participant or on-line content provider
f. Publication author or contributor
g. Vendor or prospective vendor
h. Other (describe) ____________________________________________________________

I have read the Policy Guidelines for Volunteer Participation and Conflicts Of Interest, and make the following response (check one selection):

___ Based upon the policy, no disclosure is necessary. (sign below and submit)
___ Based upon the policy, disclosure is necessary. (complete the following disclosure section)

Disclosure of Actual or Potential Conflicts of Interest and Relationships in Which Conflicting Interests May Arise: The following information would be relevant to determining any actual or potential conflicts of interest concerning my current or anticipated activity involving the SBA. (Attach additional sheets, if necessary. Once completed, sign below and submit.)

____________________________________________________________________________

____________________________________________________________________________

DISCLOSURE STATEMENT: To the best of my knowledge, I do not have any actual or potential conflicts of interest, nor relationships in which conflicting interests may arise, except those disclosed on this form. I am aware that all transactions of the State Bar of Arizona must be conducted on an arms-length basis. If at any time I become aware of a transaction or relationship which is in contravention of this statement, I will update and re-submit this disclosure.

Signed: ___________________________ Date: ___________________________

SUBMIT TO:
State Bar of Arizona
ATTN: Executive Director
4201 N. 24th Street, Suite 200
Phoenix, AZ 85016-6288

Date Received _______________________
Staff Review _______________________
CEO/Executive Director Review ________
Other Review (if needed) ______________

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NEW ADMITTEE MEMBERSHIP IN BAR SECTIONS

New admittees of the State Bar of Arizona may join any one section for the remainder of the year at no charge.
SECTIONS AND COMMITTEES AND COMMISSIONS MANUAL

Most recent update
June 2009
Welcome
In many ways the work and accomplishments of the State Bar, are the work and
accomplishments of its sections, committees and commissions. The Bar's Board of
Governors, the staff of the State Bar, and sections, committees and commissions combine
efforts to fulfill our goals.

This manual has been prepared to assist volunteer sections, committees and commission
members. This manual also reminds all sections, committees and commission members and
chairs of their responsibilities to their sections, committees and commission, the governing
body of the Bar, and to the overall membership. Each sections, committees and
commission member is expected to focus on the best interest of the Bar and the legal
system, rather than on personal, constituent or client interests.

Purpose of Commissions, Committees and Sections
State Bar groups are established and governed under Bar’s by-laws as adopted by the
Board of Governors. Committees address matters of continuing and recurring concern to
the State Bar. Special committees and task forces are appointed to undertake specific
assignments of relatively short duration. Only those committees needed to achieve goals
are established and retained.

Members and chairs are appointed by the President of the State Bar, in consultation
with the Board of Governors. The committee may appoint from its membership
such subcommittees as it deems advisable to facilitate its work.

Cooperation with and respect for other committees is expected. Should conflicts appear in
areas of responsibility or in purposes or goals, such conflicts should be promptly called to
the attention of the Board of Governors.

Sections of the State Bar are established upon the petition of not less than 100 members in
good standing and are governed under by-laws adopted by the Board of Governors.
Sections address matters of continuing and recurring concern to their membership and the
State Bar. Sections are considered our internal practice area experts and may be asked to
undertake specific assignments of relatively short duration. Only those sections that
continue to meet the needs of their membership are established and retained.

Members pay additional dues to belong to a section and the chairs and governing
executive councils are elected in accordance with each section’s bylaws. The
executive council may appoint from its section’s membership such subcommittees as
it deems advisable to facilitate its work.

Cooperation with and respect for other sections is expected. Should conflicts appear in
areas of responsibility or in purposes or goals, such conflicts should be promptly called to
the attention of the Board of Governors.
Commissions assess applications for specialization and provide assistance to the Board of Legal Specialization as requested.

**Members and chairs are appointed by the President of the State Bar, in consultation with the Board of Governors. The committee may appoint from its membership such subcommittees as it deems advisable to facilitate its work.**

Cooperation with and respect for other commissions and committees is expected. Should conflicts appear in areas of responsibility or in purposes or goals, such conflicts should be promptly called to the attention of the Board of Governors.

**Rosters: Contact Information**
A complete listing of all of the committees and sections of the State Bar of Arizona, as well as rosters of all council and committee chairs, Board of Governors members, and State Bar committee staff liaisons, can be found on the State Bar’s web site, www.myazbar.org.

Commissions rosters are not posted on the website at this time.

**Important Dates**
Committees and section members should calendar the events and deadlines. Please refer to the State Bar’s web site or contact your State Bar staff liaison to obtain additional information on these events.

<table>
<thead>
<tr>
<th>Activity</th>
</tr>
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<tbody>
<tr>
<td>Committees’ report on plans for the coming Bar year</td>
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<tr>
<td>Board of Governors meeting agenda requests</td>
</tr>
<tr>
<td>Board of Governors meetings</td>
</tr>
<tr>
<td>Committee Budget Proposals</td>
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<tr>
<td>Introduction of Legislation</td>
</tr>
<tr>
<td>Convention Seminar Proposal</td>
</tr>
<tr>
<td>Convention Brochure Information</td>
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<tr>
<td>Convention Seminar Materials</td>
</tr>
<tr>
<td>State Bar Convention</td>
</tr>
<tr>
<td>Arizona Attorney submissions</td>
</tr>
<tr>
<td>Committees’ wrap-up report on activities for the Bar year</td>
</tr>
</tbody>
</table>

**Approximate Due Date***

- September 30
- Generally the Third Friday each month (check the website)
- July
- By end of first week in September
- First week in September
- Late December
- Mid February
- June
- Anytime for review by the Editorial Board
- Last Friday in April for the May Board meeting
The State Bar wants its sections and committees to be active and to study and remark on problems affecting their segment of the law or the profession. Sections and committees are encouraged to meet on a monthly basis. Dates and locations for proposed meetings throughout the year should be scheduled and submitted with the Staff Liaison.

Section Meetings: Attendance, Absences, Quorums
Each sections’ by-laws define the criteria for membership and meeting quorum. Please refer to your section by-laws.

Committee and Commission Meetings: Attendance, Absences, Quorums
The by-laws of the State Bar require committees hold an initial meeting within ninety days after the Annual Convention of the State Bar unless, in the discretion of the Chair and the Executive Director, such a meeting is unnecessary. One-third of the members of the committee will compose a quorum. Further, the Board of Governors does not permit proxy voting, and this policy extends to committees of the Bar as well. Commission quorums are defined in the Board of legal Specialization Rules and Regulations, unless otherwise stated they are the same as committees.

Attendance records must be kept by chairs or their designee. Absence from two consecutive meetings without an excused approval by the chair may result in removal. The chair shall advise the Staff Liaison who shall advise the Bar President of any absence for 3 or more meetings.

Section, Commission and Committee Meeting Location Arrangements and Notices
Your State Bar staff liaison will assist with meeting arrangements, notification process, and distribution of agendas and minutes at your Chair’s request. We urge you to give staff sufficient advance notice to permit them to provide this important service to you in a timely manner. The State Bar strongly encourages its commissions, sections and committees to utilize technological and electronic means to communicate and share information among members and for meeting notification.

Conference rooms are available for section and committee use at the State Bar offices. The rooms must be reserved in advance by calling your staff liaison.

Minutes
Minutes of all meetings must be kept by the commissions, sections and committees. The chair should designate a member to record and prepare minutes for distribution. The minutes shall be forwarded in final form to the State Bar staff liaison within fifteen days following each meeting. The minutes will be filed with the Board of Governors by the State Bar staff liaison. It is requested that the minutes be provided in electronic format for ease in distribution to committee and Board members.
Financial and Organizational Overview

Revenues from and expenditures for the commissions, sections and committees shall be under the general supervision of the Board of Governors acting through the Executive Director.

Reimbursable expenses associated with a section or committee's operation should be approved by the chair and submitted to staff liaison with original receipts.

Meeting Costs; Mileage Reimbursement Policy

Reimbursable expenses incurred in conjunction with meetings include reasonable costs for refreshments and meeting rooms. No mileage or per diem charges will be paid to individual commission or committee members for travel within the state. Mileage may be paid to section members upon approval by the section executive council.

Budget

Individual commissions and committees of the State Bar are not provided an operating budget. However, the Bar budget each year provides limited funds for commission and committee expenses. Requests for extraordinary committee expenses (i.e. honorariums or travel expenses for convention speakers, committee members’ travel expenses) must be submitted for consideration by the Board of Governors on or before the Board’s meeting in September, and must be approved prior to the expenditure. Requests for special appropriations should include a brief outline of the project and anticipated cost.

In July of each year each chair or budget officer shall submit to the Staff Liaison its requested budget for the fiscal year commencing January 1st. Although the section and committee’s year begins July 1st, the State Bar operates on a calendar year basis and therefore committee budgets cover the period January 1-December 31.

In June or July, your staff liaison or the accounting department will provide a copy of your current budget showing appropriations and expenditures to date. Each line item in the current budget should be reviewed as to whether certain programs or activities will be continued, expanded or diminished. The following is a list of line items with expenses that typically fall into each category:

- Accommodations: Breakfast, luncheon or dinner meetings; lodging and/or meals for convention speakers.
- Delivery services.
- Facilities/meeting room rental charges.
- Office supplies: Name tags, audio or videotapes, banners.
- Parking: Meetings, out-of-state conferences.
- Postage: Monthly mailing of meeting notices, newsletters, surveys, or legislative information.
- Printing: Brochures, invitations or newsletters.
- Reproduction: Copying of meeting or convention materials by council members. (Copies made at the State Bar office are not charged to individual committees.)
• Telephone: Teleconference meetings.
• Gifts/Contributions: Plaques for outgoing chairs, awards, or gifts to speakers. (NOTE: In the past this has been limited to founding chairs and/or long-term chairs upon retirement.)
• Honorariums: Convention speakers or special presentations at meetings.
• Library: Books, magazines (for committee use).
• Professional Services: Language specialists, translators, etc.
• Travel - Faculty: Travel expenses for convention seminar speakers.

Inquiries regarding financial policy and budget preparation in general should be directed to your staff liaison or to the accounting department. The liaisons are available to assist in developing cost estimates for particular projects and in considering the various factors involved in implementing these activities.

A commission, section and committee cannot have bank accounts or funds of its own, as all transactions connected with Bar activities must be reflected in the appropriate State Bar account. All funds received by a commission, section committee must be remitted to the State Bar, and all expenditures will be paid by the State Bar.

Donations
Because commissions, sections and committees are funded by the State Bar and any moneys they receive as income are co-mingled with general Bar funds, all donations (including “in kind” donations) must be approved in advance of expenditure or commitment by the Board of Governors in order ensure consistent application of the Keller policy.

Public Positions
Only the State Bar President, elected officers and the president’s designees can speak on behalf of the State Bar of Arizona. No member of a commission, section or committee, in his or her capacity as such, shall express a position to the public (either in writing or verbally) or engage in any activity (including political or legislative activity) in the name of or on behalf of the commission, section or committee or State Bar without advance authorization by the Board of Governors. Further, no commission, section or committee nor any member thereof (while acting in his or her capacity as such) may submit an amicus curiae brief in any matter without Board of Governors approval.

All commission, section and committee members are reminded that while serving as a member of a section executive council or a commission or committee, they are to focus on the best interest of the legal system, the State Bar and the commission, section or committee, rather than on personal, constituent or client interests.

Commission, committee and section members are encouraged, however, to participate in activities as private citizens, not representing the Bar unless authorized by the Board of Governors. In addition, letters to the editor cannot be written on State Bar letterhead and
cannot suggest that the person writing the letter is submitting it on behalf of the State Bar of Arizona.

**Legislative Activity**

The Government Relations Department is charged by the Board of Governors, under its supervision, with overall responsibility for legislative programs and activities. Permission from the Board of Governors is mandatory prior to any legislative advocacy. Requests for permission must be provided to the Government Relations Director who represents the Bar.

During legislative sessions, the Government Relations Department provides updates on legislative matters on the website. Each section and committee shall have the responsibility for reviewing legislation that falls within its particular area of expertise. It is very important to communicate to the Government Relations Director as soon as possible all legislative concerns of your committee.

All proposed positions on existing legislation and all legislative proposals initiated by sections and committees shall be directed to the State Bar’s Government Relations Director, who will forward the proposals to the Board of Governors. All relevant materials are to be prepared by section and committee members, shall be in writing, and shall include the following:

- The minutes reflecting requested action;
- Copies of the bill or proposal and a detailed summary;
- Copies of pending legislation in this or other legislatures, if appropriate; the existing state or federal laws which would be affected by the proposal, and whether the proposal would repeal or supplement such laws, and a brief description of how such change or repeal would operate;
- Reasons for the approval and enactment or rejection of the proposal and anticipated impact as it relates to the Bar’s Long Range Plan;
- A statement of the known position on the proposal by interest groups or corporations concerning the proposal, including principal reasons for their support or opposition to the proposal.
- Other information as requested by the Government Relations Director or Board of Governors.

Proposed legislation must be received by the Government Relations Director no later than September 1 prior to the commencement of the legislative session.
Amicus Curiae
The decision to enter an amicus curiae will be made at a regularly held meeting of the Board of Governors. When possible, the Board will solicit the position of all parties to the matter to assist in making a determination as to whether or not to enter the case.

In case of emergency, the President shall poll the Board and shall act only on the affirmative vote of the majority of the Board. No section or committee may submit an amicus curiae brief in any matter without prior Board of Governors approval.

Correspondence
When you communicate to anyone in writing with regard to the business of your section and committee, you are doing so in the name of the State Bar. To avoid any misunderstandings or possible ethical problems, the Board of Governors directs that all such correspondence must be typed on State Bar stationery and you must indicate your representative capacity after your signature (i.e. John Q. Doe, Chair, __________ Committee). Board policy also dictates that it is never appropriate to include your firm or agency’s logo/letterhead on State Bar letterhead. Supplies of Bar letterhead stationery and envelopes may be obtained from the Bar office. Copies of any significant section or committee materials or correspondence must be provided for the State Bar's master files.

As previously stated, only the State Bar President, elected officers and the president’s designees can speak on behalf of the State Bar of Arizona. Please contact your staff liaison with any question in this regard.

Gender Neutral Language
In drafting articles for the Arizona Attorney, manuals and seminar materials for Continuing Legal Education, and any other publications and materials for the State Bar, gender neutral language should be used. Unless the circumstances require otherwise, gender neutral nouns, such as the "applicant," "witness," "party," "director," etc. should be used in place of masculine or feminine pronouns.

Committee and Section Reports
Two reports shall be prepared and filed with the Board of Governors each year. The first, to be submitted by September 30, will outline the committee's plans and goals for the coming year. The second report will be submitted by Last Friday in April for consideration at the May Board meeting and will summarize the activities of the current year and anticipate activities for the ensuing year.

Committee and Commission Appointments
Committee membership varies but is generally limited to twenty-one (21) people. Members are appointed for terms of one (1) to four (4) years (depending on the committee). Commission membership is generally limited to 10 people. The chair's appointment will remain on an annual basis. The chair may be re-appointed to the committee at the end of the term as chair.
The Chair of each commission and committee shall, not less than thirty (30) days prior to
the annual meeting of the State Bar, submit a recommendation for chair for the ensuing
year to the State Bar’s Staff Liaison.

The Chair of each section shall be elected in accordance with their by-laws and the names
of the chairs and other officers provided to the Staff Liaison within 1 week of the Annual
Meeting.

**Chair’s General Duties**

1. Planning objectives (in consultation with the board and staff).
2. Assigning responsibilities to individual members to make sure that each member is
   an active, productive participant.
3. Conducting meetings such that all views are aired, objectives are met,
   recommendations are summarized, and participation is encouraged.
4. Maintaining records and information by ensuring that accurate minutes are kept,
   reports are prepared, and a record of work is maintained.
5. Monitoring the progress of subcommittees and the work of individual members.
6. Evaluating the status of activities and projects, and the participation of individual
   members.
7. Adjusting work assignments so that individual assignments meet the interests and
   capabilities of each member.
8. Informing the staff, the president and the board of the activities and progress on a
given task as well as the overall objectives.

**Commission, Committee and Executive Council Member’s Responsibilities**

Commission, committee and executive council members report to the chair. Members are
expected to fully participate in the work of the council, commission or committee, provide
thoughtful input to the deliberations of the group, and work toward fulfilling their goals.
Members are expected to do the following:

1. Review all relevant material before meetings; make contributions and voice
   objective opinions on issues.

2. Attend meetings and conduct business by telephone and/or written or e-mail
   communications.

3. Carry out individual assignments made by the chair and discharge their
   responsibilities diligently, and not delegate them to other members or staff.

4. Work as part of the team to ensure that when the section or committee proposes
   policies and/or develops products and services, it is done within their scope of
   interest.

5. Promote clarity within the section and committee on how it supports and fits within
   the interests of the State Bar.
6. Publicly disclose any actual or perceived conflicts of interest and not vote on such matters.

7. Act in good faith and in accordance with what they believe to be in the best interest of the State Bar, their section, commission and committee, and the legal profession as a whole, rather than on personal, client or constituent interests.
ACTIVE MEMBERS VIS-À-VIS THE APPOINTMENTS COMMITTEE PROCESS

Only active members of the State Bar in good standing may be considered for appointment.

October 29, 1999: Policy reaffirmed by the Board of Governors.
BOG Appointments Process Guidelines (Through Appointments Committee)

To enhance fairness and public confidence:

1. We will recruit and select qualified applicants:
   a) whose professional competence and reputation are outstanding and who are sensitive to
      the needs of and held in high esteem by the communities they serve.
   b) based on reasonable criteria, determined in advance, to suit the needs of the entity to
      which the appointment is being made. These criteria will be, to the extent possible, made
      known to prospective applicants, so that all applicants will have the opportunity to
      address these criteria in their applications.
   c) who will add to the diversity of the committee or commission, so that the entity will, to
      the extent practicable, reflect the diversity of the population it serves. To that end, we
      will review the demographics of the entity to which our appointments are being made to
      assist in recruiting and in making appointment decisions.

2. Incumbents.
   a) The policy with respect to term limits and re-appointment of incumbents is that no
      incumbent should be appointed, if the effect of the re-appointment would be total service
      of two (2) terms or six (6) years, whichever is greater, and with any partial term counting
      as a full term. The Conflict Case Committee is the exception whereby Committee
      members may serve three (3) three-year terms or a total of nine (9) years.
   b) At the beginning of the appointments process for any vacancy, we will determine whether
      an incumbent is seeking re-appointment for a second term. The appointments committee
      will vet the incumbent to determine whether to recommend reappointment. If the
      incumbent is not re-appointed, the application process may be reopened to solicit
      applications from those who may not have applied in deference to the incumbent.

3. The Appointments Committee and Board of Governors will take care to protect the dignity
   and reputation of applicants by adhering to the relevant rules of the judicial nominating
   commissions during the screening process.

4. To avoid the appearance of impropriety, members of the Board of Governors will not be
   appointed to any commission or committee unless the Supreme Court so dictates, except that
   one of the ABA Delegates should be a member of the Board of Governors.

5. Members of the Board of Governors will be notified of Appointment’s Committee meetings
   and the applicant pool, so that they can provide any relevant information to the Committee
   for vetting.

(continued)
6. The Board of Governors will make every effort to obtain the full evaluation, advice and input of the Appointments Committee before making appointments or nominations. If significant issues about candidates recommended by the Appointments Committee are raised at the Board of Governors’ level, the matter should usually be referred back to the Committee for further vetting and input before selecting another candidate who was not recommended by the Committee.

Adopted and approved by the Board of Governors as amended June 14, 2006.

Amended by the Board of Governors February 23, 2007. **Comment:** Conflict Case Committee members may serve three (3) three-year terms or a total of nine (9) years. (Guideline 2.a.)
BOARDS AND COMMISSIONS APPOINTMENT PROCESS
(Additional Voluntary Professional Activities)

In addition to joining a State Bar of Arizona committee or section, or being appointed by the State Bar President to serve on a Standing Bar Committee, other options exist for Arizona attorneys to contribute to the profession. Statewide boards, commissions and organizations that have designated State Bar seats are listed below. Vacancies are advertised in the “Bar Community” section of Arizona Attorney, on the Bar’s Web site, via eLegal (a bimonthly electronic newsletter), and by special notification to the county and specialty bar associations.

Attorneys’ applications for these voluntary professional activities are screened by the Bar’s Standing Appointments Committee which is chaired by the Second Vice President of the Board of Governors. The Committee’s recommendations are submitted to the governing board which makes the appointments. The Committee and the Board considers all aspects of diversity in their recommendations and appointments. In some instances, the Board’s recommendations are forwarded to the Arizona Supreme Court or the Governor of Arizona for their ultimate selections.

Further information or application forms may be obtained by contacting Carrie Sherman at the Arizona Bar Center at (602) 340-7201 or at carrie.sherman@staff.azbar.org.

<table>
<thead>
<tr>
<th>BOARD CONSIDERS APPOINTMENT; LENGTH OF TERM</th>
<th>PROFESSIONAL ACTIVITY</th>
<th>DESCRIPTION AND REQUIREMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>March; three years.</td>
<td>City of Glendale Judicial Selection Advisory Board</td>
<td>Screens applicants, makes recommendations to Glendale City Council regarding re/appointment of city judges. Must reside in City of Glendale.</td>
</tr>
<tr>
<td></td>
<td>Conflict Case Committee</td>
<td>Timely process, investigate and prosecute all aspects of disciplinary cases involving a member of State Bar’s Board of Governors or Bar Counsel staff, a Supreme Court Disciplinary Hearing Officer or a member of the Court’s Disciplinary Commission.</td>
</tr>
<tr>
<td>May; two years.</td>
<td>American Bar Association (ABA) House of Delegates</td>
<td>Represent State Bar at Annual and Midyear ABA Meetings of the House.</td>
</tr>
<tr>
<td>May; three years.</td>
<td>City of Mesa Judicial Advisory Board</td>
<td>Screens applicants, makes recommendations to Mesa City Council regarding re/appointment of city judges. Must reside in City of Mesa.</td>
</tr>
<tr>
<td>May; four or three years, depending on residency criteria.</td>
<td>City of Peoria Judicial Selection Advisory Board</td>
<td>Screens applicants, makes recommendations to Peoria City Council regarding re/appointment of city judges. One of the two appointees must reside in City of Peoria.</td>
</tr>
<tr>
<td>May; three years.</td>
<td>City of Phoenix Municipal Court Judicial Selection Advisory Board</td>
<td>Screens applicants, makes recommendations to Phoenix City Council regarding re/appointment city judges. Must reside in City of Phoenix.</td>
</tr>
<tr>
<td>May; five years.</td>
<td>Client Protection Fund Board of Trustees</td>
<td>Act as custodians of monies deposited in the Fund, invest those funds, pay claims in appropriate cases. Must have actively practiced law or served in judicial capacity at least 10 years.</td>
</tr>
<tr>
<td>May; six years.</td>
<td>Community Legal Services Board of Directors</td>
<td>Establish standards of eligibility of legal services applicants and scope of said services; determine major program policies.</td>
</tr>
<tr>
<td>June; three years.</td>
<td>City of Surprise Judicial Selection Advisory Commission</td>
<td>Screens applicants, makes recommendations to Surprise City Council regarding re/appointment city judges. Attorneys with limited jurisdiction and criminal court experience preferred. Must reside in Maricopa.</td>
</tr>
<tr>
<td>June; three years.</td>
<td>Non-Lawyer State Bar of Arizona Board of Governors</td>
<td>Must be at least 21 years of age, Arizona resident at least three years, cannot be active or inactive member of any bar. Cannot become officer of the Board, but maintains full voting rights. Attend 11 meetings per year, usually the third Friday of each month, plus committee work.</td>
</tr>
<tr>
<td>July; seven years.</td>
<td>Arizona Supreme Court Committee on Character and Fitness</td>
<td>Investigate and recommend applicants for admission to the State Bar of Arizona.</td>
</tr>
<tr>
<td>July; seven years.</td>
<td>Arizona Supreme Court Committee on Examinations</td>
<td>Prepare, administer and grade the required Bar Exams.</td>
</tr>
<tr>
<td>July; three years.</td>
<td>City of Tempe Judicial Advisory Board</td>
<td>Screens applicants, makes recommendations to Tempe City Council regarding re/appointment of city judges. Must reside in City of Tempe.</td>
</tr>
<tr>
<td>August; three years.</td>
<td>City of Scottsdale Judicial Appointments Advisory Board</td>
<td>Screens applicants, makes recommendations to Scottsdale City Council regarding re/appointment of city judges. Must reside in City of Scottsdale.</td>
</tr>
<tr>
<td>November; three years.</td>
<td>Town of Guadalupe Judicial Selection Advisory Board</td>
<td>Screens applicants, makes recommendations to Town Council regarding re/appointment of city magistrates.</td>
</tr>
<tr>
<td>December; six years.</td>
<td>Arizona Commission on Judicial Conduct</td>
<td>Investigates complaints against members of the Arizona judiciary. Must be admitted to practice before the Arizona Supreme Court for not less than five years. See Article 6.1 of the Constitution of the State of Arizona.</td>
</tr>
<tr>
<td>December; four years.</td>
<td>Arizona Commission on Judicial Performance Review</td>
<td>Review of justices/judges subject to merit selection or retention; promote appropriate judicial assignments; identify needed judicial education programs.</td>
</tr>
<tr>
<td>December; three years.</td>
<td>Arizona Foundation for Legal Services &amp; Education Board of Directors</td>
<td>Manages IOLTA and law-related education programs; makes determination regarding grants for indigent legal services and the administration of justice. Fundraising/development experience desirable. Meets seven times each year plus committee work.</td>
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<tr>
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</tr>
<tr>
<td>December; four years.</td>
<td>DNA-People’s Legal Services, Inc. Board of Directors</td>
<td>Provide direction to the largest Native American legal services program in the country. Board meets at least four times per year, usually on a Saturday in Window Rock. Travel expenses reimbursed by DNA.</td>
</tr>
<tr>
<td>December; four years.</td>
<td>Commission on Appellate Court Appointments</td>
<td>Screen, interview, select judicial candidates; submit recommendations to the Governor of Arizona. Must be admitted to practice before the Arizona Supreme Court for not less than five years. Political party affiliation and county of residence plays role in filling vacancies. See Arizona State Constitution, Article VI, Sections 36 and 41.</td>
</tr>
<tr>
<td>December; four years.</td>
<td>Maricopa County Commission on Trial Court Appointments</td>
<td>See “Appellate Commission” above. Political party affiliation and supervisory district of residence plays role in filling vacancies.</td>
</tr>
<tr>
<td>December; four years.</td>
<td>Pima County Commission on Trial Court Appointments</td>
<td>See “Maricopa County Commission” above.</td>
</tr>
</tbody>
</table>

Updated May 2010
STATE BAR COMMITTEE APPOINTMENTS: GENERAL PRINCIPLES

State Bar Committees exist to serve the Board, the Bar and the membership and committee members should be appointed by the President consistent with the policies and procedures adopted by the Board. The following general principles were created to provide guidelines during the committee appointment process. Exceptions to the guidelines should only be made for good reasons that further the organization’s goals.

1. The President (in consultation with staff and Committee chairs) may charge each Committee with tasks and goals each year as appropriate.

2. During the Spring preceding the appointments process, the President-elect (in consultation with staff) sets desired qualifications for new members and the leadership of each Committee, the purpose of which is to assist in more focused recruiting and in implementing the State Bar’s diversity policy.

3. Succession planning.
   a. Chairs: 1-2 years in this capacity preferred; 3-year maximum.
   b. Committee Members:
      i. Three-year term, except for the Board of Legal Specialization, which has a four-year term.
      ii. Two-term presumptive maximum.
   c. Committee terms should be staggered.
   d. At the end of the presumptive maximum term, invite committee members to rotate to another committee or assignment, if possible.

4. Each Fall, the demographics of each Committee and the leadership of the Committees should be reported to the Board of Governors to assist in monitoring compliance with the State Bar diversity policy.

Approved and adopted by the Board of Governors June 14, 2006
2010 EMPLOYEE BENEFITS SUMMARY

VACATION
All full time employees accrue vacation as follows:

Exempt (Salaried) Employees
Less than four years of service 15 days per calendar year
Four or more years of service 20 days per calendar year

Non-Exempt (Hourly) Employees
Less than four years of service 10 days per calendar year
Four years but less than ten years of service 15 days per calendar year
Ten or more years of service 20 days per calendar year

SICK LEAVE
All full time employees accrue sick leave at the rate of 7.5 hours per month, for a total of 12 days per calendar year, to a maximum of 12 weeks.

HOLIDAYS
The State Bar of Arizona observes the following holidays:

New Year’s Day Labor Day
Martin Luther King, Jr. Day Columbus Day
President’s Day Thanksgiving Day
Memorial Day The day after Thanksgiving
Independence Day Christmas Day

HEALTH/LIFE INSURANCE (Aetna/Lincoln Financial)
All employees working 22.5 hours or more per week receive insurance coverage provided by the Bar at no cost to the employee. This coverage includes medical, dental and basic term life insurance at two times the amount of the employee’s annual salary, to a maximum benefit of $200,000. An employee may choose to purchase supplemental life and voluntary vision insurance at their own expense. Dependent coverage is also available for purchase at the employee’s expense.

LONG-TERM DISABILITY INSURANCE (Lincoln Financial)
All employees working 22.5 hours or more per week receive long-term disability insurance provided by the Bar. In the event of an incapacitating injury and/or illness, the Bar’s coverage pays 60% of the employee’s salary up to a maximum of $7,500 per month. Benefits are subject to pre-existing conditions exclusions and are tax-free.
SHORT-TERM DISABILITY INSURANCE  (Lincoln Financial)
All full-time employees are eligible to purchase short-term disability insurance at their own expense. On the 15th day following a qualifying injury and/or illness, the Bar’s plan pays 60% of the employee’s weekly salary up to a maximum of $1,250 for up to 13 weeks. Benefits are subject to pre-existing conditions exclusions.

LONG-TERM CARE INSURANCE  (MetLife)
All employees who work 30 or more hours per week are eligible to purchase long-term care insurance at their own expense.

FLEXIBLE SPENDING ACCOUNTS  (Goldleaf Partners)
All employees may enroll in the Medical Care Reimbursement Account and/or the Dependent Care Assistance Account which allows them to set aside income on a pre-tax basis in either account to pay for allowable out-of-pocket medical expenses and allowable child care costs for children up to the age of 13. Employees may defer up to $7,500 per year for medical care and up to $5,000 for dependent care.

401(k) PLAN (ABA Retirement Funds)
All employees who work for the Bar for six months are eligible to participate in the 401(k) Plan as of the following January 1 or July 1.

The Bar contributes the equivalent of 7% of an employee’s salary per year, up to the Social Security annual maximum amount. Employees receiving wages higher than the Social Security annual maximum amount also receive an additional 5.7% contribution on that amount.

Employee deferrals to the plan are made via payroll deduction up to the allowable limit, which for most employees is 25% of their annual salary per plan year. The Bar has a discretionary matching contribution up to a maximum of 10% of the first 6% an employee defers. Employees are 100% vested in their contributions to the plan. Vesting on the Bar’s contribution is as follows:

<table>
<thead>
<tr>
<th>Years of Employment</th>
<th>Vesting Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>After 2 years</td>
<td>20%</td>
</tr>
<tr>
<td>After 3 years</td>
<td>40%</td>
</tr>
<tr>
<td>After 4 years</td>
<td>60%</td>
</tr>
<tr>
<td>After 5 years</td>
<td>100%</td>
</tr>
</tbody>
</table>

6/30/2010
DEFERRED COMPENSATION

The State Bar of Arizona (SBA) provides $7,500 per year in deferred compensation to members of senior management with five or more years of service to the organization. Members of senior management include: the Executive Director; the Senior Directors; the Chief Bar Counsel; the General Counsel; and the Chief Financial Officer. This benefit is provided to these more highly compensated employees due to the cap on the amount of Social Security benefits that are paid on an employee’s behalf.

Within the first quarter of the year, the Bar will provide a check for the benefit of the eligible employee to the designated investment firm. The employee may work with the firm to designate how his/her funds are to be invested. Participating employees may elect to defer an additional amount of their income into this account, up to the IRS allowable maximum. This shall be done via regular payroll deductions.

Upon termination of employment, participating employees may elect to retain this account, roll funds over to another qualified account, or withdraw funds and close their account. Participating employees must be employed on June 30 of any year to retain the Bar’s contribution to their account for that year.

Adopted by the Board of Governors 12/17/04
EMPLOYEE POLICY MANUAL

The Board of Governors has adopted an Employee Policy manual for the State bar of Arizona. The Board updated the current version in 2004.

Key policies, which are provided herein, are:

- Anti-Harassment
- Employee Concerns and Resolutions
- Employee Conduct
- Finances

A copy of the complete manual may be requested from the Human Resources Office.
ANTI-HARASSMENT

The State Bar of Arizona (SBA) is committed to providing a work environment where all employees can work together comfortably and productively, free from sexual harassment or harassment because of race, gender, color, age, national origin, religion, disability, or other legally protected status. Such behavior is prohibited by Federal and State law, and is strictly forbidden. The Arizona Bar Center maintains a “zero tolerance” standard with regard to inappropriate harassment or creation of a hostile work environment.

This policy applies to employees during all phases of their employment – including recruiting, testing, hiring, promotion or demotion, transfer, layoff, and termination. It also covers any type of employment action, including those relating to salary, benefits, training, travel and participation in sponsored business and social events.

Employees shall not be retaliated against by virtue of having brought a legitimate concern and/or complaint forward, and/or assisted in the investigation of such a complaint, under the provisions of this policy. Complaints of such retaliation will be promptly investigated. Employee complaints shall be treated as confidential and will be shared only with those who have a legitimate need to know. No information on employee complaints shall be placed in employees’ personnel files.

Prohibited Sexual Behavior

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitutes sexual harassment when:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual’s employment.
2. Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual.
3. Such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile, or offensive working environment.

Prohibited behavior that is unsolicited and/or unwelcome may include, but is not limited to, the following:
• written contact, such as sexually suggestive or obscene letters, notes, invitations, or e-mail messages

• verbal contact, such as sexually suggestive or obscene comments, threats, slurs, epithets, jokes about gender-specific traits, sexual propositions

• physical contact, such as intentional touching, pinching, brushing against another’s body, impeding or blocking movement, assault, coercing sexual intercourse, and

• visual contact, such as leering or staring at another’s body, gesturing, displaying sexually suggestive objects or pictures, cartoons, posters or magazines.

Sexual harassment may also include continuing to express sexual or social interest after being informed that the interest is unwelcome. Using behavior, implications or threats of a sexual nature to control, influence or affect the career, salary or work environment of another employee, either positively or negatively, is also considered sexual harassment.

Other Prohibited Harassing Behavior

Harassment based on race, color, gender, national origin, age or disability is a violation of federal and state law. Harassment is defined to include: Verbal or physical conduct that creates an intimidating, hostile or offensive work environment or that unreasonably interferes with an employee’s work performance. Examples of conduct that may constitute harassment include, but are not limited to:

• the use of racial, religious or gender-based slurs;

• epithets or negative stereotyping;

• the use of socially unacceptable words at the workplace, even between employees of the same racial, ethnic or religious group or gender;

• written materials that show hostility because of race, gender, color, age, national origin, religion, disability, or other legally protected status; or

• treating someone as if that person were inferior to you because of his/her race, gender, color, age, national origin, religion, disability, or other legally protected status. This includes condescension (refusing to take someone seriously), verbal abuse (making negative or derogatory
comments), exclusion (overlooking or denying someone access to places, people or information, especially when opportunities for advancement are involved).

**Harassment by Non-Employees**

Since it is the Arizona Bar Center’s objective to maintain a work environment free of harassment for all employees, this policy also applies to non-employees, including members of the Board of Governors, members of the Board of Directors, volunteers, members, vendors and suppliers, and any other guests or visitors who are likely to have work-related contact with Bar/Foundation employees.

The Bar/Foundation prohibits harassment by non-employees, and complaints of harassment by non-employees shall be promptly investigated.

**Complaint Procedure**

Employees are directed to report their concerns and/or complaints of harassment to the Director of Human Resources or the Executive Director as soon as possible, usually within 5 working days of the occurrence giving rise to the complaint. Complaints may be submitted in writing, or by requesting an individual interview. The Director of Human Resources or the Executive Director will meet with the employee and investigate the matter.

**Complaints Involving Senior Management**

Employees whose concerns and/or complaints involve a member of senior management are directed to submit their complaints to the Executive Director as soon as possible, usually within 5 working days of the occurrence giving rise to the complaint. Complaints may be submitted in writing, or by requesting an individual interview. The Executive Director will meet with the employee and investigate the matter.

When these concerns and/or complaints are not resolved by the Executive Director, employees may submit their written complaints to the President or President-Elect of their organization’s governing board. This should be done within 10 working days of the employee’s receipt of the Executive Director’s response. The President or President-Elect or designee will review the matter and provide the employee with a final written response.

Employees whose concerns and/or complaints involve the Executive Director are directed to submit their complaints to the President or President-Elect of their organization’s governing board as soon as possible, usually within 5 working days of the occurrence giving rise to the complaint. Complaints may be submitted in writing, or by requesting an
individual interview. The President or designee will review the matter and provide the employee with a response.

Investigation of Complaints

Any allegation of sexual or other discriminatory harassment will be promptly investigated.

Resolution of Complaints

Upon completion of an investigation of harassment, the findings shall be communicated to the complainant and the alleged harasser(s). Written complaints, responses and related investigative files shall be maintained in Human Resources, separate from employees’ personnel files.

Disciplinary Action

Any employee found to have violated this policy shall be subject to appropriate disciplinary action, including required counseling and/or training, warnings, reprimand, suspension or discharge, according to the findings of the complaint investigation. When appropriate, copies of disciplinary action will be placed in employees’ personnel files.

Ongoing Monitoring and Training

The Bar/Foundation shall take all reasonable steps to see that this policy is followed by all employees, supervisors and others who have contact with our employees. This prevention plan shall include training sessions for all employees, including distribution and discussion of this policy, and ongoing monitoring of the worksite.

Suggestions for improvement and/or questions about this policy may be directed to the Human Resources Office.
EMPLOYEE CONCERNS AND RESOLUTION

Employees are encouraged to bring their work-related concerns and/or complaints to the attention of management, so that they may be addressed by those most directly involved, and in as timely and professional a manner as possible. Normally this should occur within 5 working days. Concerns may involve, but are not limited to: working conditions; policy inequities and/or violations; financial improprieties; relationships with supervisors, coworkers and/or subordinates; and discrimination. Harassment should be addressed as provided in the Anti-Harassment policy.

Employees shall not be retaliated against by virtue of having brought forward a concern and/or complaint. Employees may risk the right to further consideration of their issues by failing to use this procedure or take action in a timely manner. Employee complaints shall be treated as confidential and will be shared only with those who have a legitimate need to know, in the discretion of the Bar/Foundation. No information on employee complaints shall be placed in employees’ personnel files.

Complaints Involving Staff Other Than Senior Management

Step 1: Employees are expected to discuss their concerns and/or complaints with their supervisors as soon as possible, usually within 5 working days, as this affords employees and management the opportunity to resolve problems when they arise and before they have an opportunity to escalate. In turn, supervisors are expected to meet with their employees, listen to their concerns and/or complaints, and provide an answer or response, usually within 10 working days of the discussion. We recognize that it is not always possible or appropriate to discuss a concern or complaint with one’s supervisor. In these types of situations, or when the issue is not resolved by the supervisor, employees may proceed to Step 2.

Step 2: Employees whose concerns and/or complaints cannot be or are not resolved at the Step 1 level should discuss these concerns with their department heads as soon as possible, usually within 5 working days. In turn, department heads are expected to meet with their employees, listen to their concerns, and provide an answer or response, usually within 10 working days of the discussion. We recognize that it is not always possible or appropriate to discuss a concern or complaint with one’s department head. In these types of situations, or when the issue is not resolved by the department head, employees may proceed to Step 3.
**Step 3:** Employees whose concerns and/or complaints cannot be or are not resolved at the Step 2 level should submit their concerns, in writing, to the Executive Team member for their area of responsibility, with a copy to the Director of Human Resources. This should be done as soon as possible, usually within 10 working days of receiving the department head’s decision at the Step 2 level, or within 10 working days of the action or occurrence giving rise to the complaint. The Executive Team member may meet with the employee, review the matter and, following consultation with the Director of Human Resources, will provide the employee with a written response, usually within 10 working days of receiving the written complaint. When the issue is not resolved by the Executive Team member, employees may proceed to Step 4.

**Step 4:** Employees whose concerns and/or complaints are not resolved at the Step 3 level should submit their concerns, in writing, to the Executive Director, with a copy to the Director of Human Resources. This should be done as soon as possible, usually within 10 working days of receiving the director’s written response. The Executive Director will meet with the employee, review the matter, and provide him/her with a final written response, usually within 10 working days of receiving the written complaint.

**Complaints Involving Senior Management**

Employees whose concerns and/or complaints involve a member of senior management may submit their written complaints directly to the Executive Director as soon as possible, usually within 10 working days of the action or occurrence giving rise to the complaint. The Executive Director will meet with the employee, review the matter and provide him/her with a written response as soon as possible, usually within 10 working days of receiving the written complaint. When these concerns and/or complaints are not resolved by the Executive Director, employees may submit their written complaints to the President or President-Elect of the Board of Governors, or the President of the Board of Directors, as applicable. This should be done as soon as possible, usually within 10 working days of the employee’s receipt of the Executive Director’s written response. The board member will review the matter and provide the employee with a final written response as soon as possible, usually within 20 working days of receiving the complaint.

Employees whose concerns and/or complaints involve the Executive Director may submit their written complaints directly to the President or President-Elect of the Board of Governors, or the President of the Board of Directors, as applicable, as soon as possible, usually within 10 working days of the action or occurrence giving rise to the complaint. The
board member will review the matter and provide the employee with a written response, usually within 20 working days of receiving the complaint.

Nothing in this policy is intended to inhibit the normal and necessary interaction between staff and Board members regarding work-related activities. In referring matters to their Board, however, employees should exercise good judgment and refer only matters which are of a sufficiently serious nature to warrant involvement by the Board in the internal operations of the organization. Employees should recognize that the members of the Board are volunteers and should first consider whether their concerns and/or complaints can be resolved directly with their director, the Director of Human Resources, or the Executive Director.

Any questions regarding this policy should be directed to the Human Resources Office.
EMPLOYEE CONDUCT

Absence from Work Area

When an employee is away from his or her work area for an extended period of time, the employee's supervisor should be advised. If appropriate, the receptionist should also be advised.

Confidentiality and Ethical Considerations

Confidentiality and the avoidance of conflicts of interest are paramount considerations necessary for employment with the Bar. Recognizing that the lack of confidentiality, apparent conflicts or the appearance of impropriety can be as damaging as actual improper acts, staff is put on notice that action may be taken if it appears that the operations or responsibilities of the Bar are being compromised. This confidentiality duty should be kept in mind when staff members are visiting other offices, attending meetings, lunching with friends, attending parties, or just talking in the elevators or office hallways. It is inappropriate for any member of the staff to discuss information obtained from correspondence, files, telephone calls, or conversations overheard between members of the staff and/or any individual not associated with the Bar. Also, any relationship that would give the appearance of favoritism in any Bar activity is discouraged.

Each attorney in the Bar is bound by the Rules of Professional Conduct promulgated by the Supreme Court of Arizona. It is important that all employees be aware of the limitations set forth in this code of ethics so they may take precautions to avoid any improper conduct, or the perception thereof.

Non-attorney employees must not give the impression, or allow others to have the impression, that they are members of the Bar, or to otherwise convey the impression that they are qualified to practice law or render legal advice or services. All questions of a legal nature must be referred to the appropriate member of the Legal Division.

Under no circumstances may any staff member use Bar letterhead or supplies for personal matters.
Special considerations apply to attorneys who are employed by the Bar. In general, such employees may not provide legal services or advice to outside individuals or entities for any form of compensation, unless they comply with the Secondary Employment section of this Policy Manual.

Attorneys on staff are encouraged to comply with ER 6.1 regarding voluntary pro bono service. While serving in that capacity, an attorney employed by the Bar may use Bar resources such as copying, supplies, secretarial support and postage, on a limited basis. The employee’s supervisor must approve any significant time or expense.

If an attorney employed by the Bar provides uncompensated legal advice or services to third parties not encompassed by ER 6.1, such as family and friends, work time and resources may not be utilized, and neither the Bar’s name nor the employee’s affiliation with the Bar may be used in conjunction therewith.

Any attorney employed by the Bar who receives compensation, honoraria, or other items of more than nominal value for activities performed on Bar time such as serving as an arbitrator, seminar faculty or speaking engagements shall notify his/her supervisor and remit any funds received to the Bar. See Secondary Employment policy for further information on this issue.

Any employee found violating this section may be subject to disciplinary action, up to and including dismissal.

Conflicts of Interest

Employees are expected to avoid situations that might cause their personal interests to conflict with the interests of the Bar or compromise its reputation or integrity. A conflict may arise, or may appear to arise, when an employee or family member of an employee uses his or her position with the Bar for personal benefit through associations or relationships that may otherwise interfere with his or her ability to exercise independent judgment on behalf of the Bar.

Any employee found violating this section may be subject to disciplinary action up to and including termination.

Conviction

An employee who pleads guilty to or is convicted of any crime must immediately this to Human Resources.
**Drinking and Eating**

A lunchroom and three kitchens are available to all employees. Vending machines and/or microwave ovens are located in these areas. It is expected that each employee clean up after him/herself and discard all waste materials.

Food and drink may be taken outside the lunchroom as long as care is taken to protect carpeting, equipment, files and library materials. All spills should be immediately reported to Office Services.

**Employee/Charitable Solicitations**

The Executive Director decides which charitable causes, if any, the Bar will support each year. Employee participation in these solicitations is on a voluntary basis.

Employees may promote causes in non-work areas and on non-work time. *Employees should consult with Human Resources regarding the appropriateness of the cause and appropriate method of solicitation, prior to undertaking any such solicitation.*

**Gratuities**

Employees are discouraged from accepting meals or other gifts from vendors, suppliers, salespeople and/or other solicitors. Gratuities received from regular Bar vendors become the property of the Bar. Prior to accepting any item of gratuity with more than a nominal value from any outside source, employees should consult with their department head. Exceptions to this policy may be provided by an employee’s department head or may be approved by the Executive Director.

Any employee found to be receiving substantial gifts/gratuities without prior approval may be subject to disciplinary action, up to and including termination.

**Fraternization**

The organization’s success depends on positive employee morale and effective working team relationships. We recognize that romantic relationships and close personal friendships can sometimes develop between people who work together. Unfortunately, sometimes attractions are not mutual, or relationships do not remain mutual, and these situations can cause problems for the employees involved as well as for the organization. In addition, such relationships can cause morale problems, misperceptions about assignments,
questions about performance reviews, and concerns about favoritism on the part of other employees. For these reasons, the Bar has implemented the following policy concerning personal relationships:

- All employees are strongly encouraged to have positive working relationships with their fellow employees.

- Supervisors are strongly encouraged to have positive working relationships with all of their employees, and to avoid personal relationships that might result in exclusion, favoritism or anything having a similar negative impact on the work environment for all employees, or be perceived as such.

- **Supervisors are expected to refrain from engaging in romantic relationships with subordinate employees.** If a supervisor and a subordinate do enter or are considering entering into such a romantic relationship, it must immediately be reported to Human Resources. Administrative action, including changing the employment relationship between the two, will be taken.

- Romantic relationships between any employees in the same area of responsibility are strongly discouraged. If employees do enter into a romantic relationship, it should immediately be reported to Human Resources. The employment relationship between the two may be changed.

- **Supervisors who engage in a romantic relationship with another employee are required to consult immediately with the Director of Human Resources.**

  In these situations, management will work to protect the interests of the organization and to ensure that they do not undermine a professional working environment for all employees.

  Consistent with the Anti-Harassment policy, the Bar will intervene any time that a dating situation, request for dates, or romantic pursuit becomes unwelcome or interferes with an individual's work or the work environment of others.

  Employees are expected to comply with this policy, the Anti-Harassment policy, and all other policies at all times.
Nepotism

Employees shall not hire (including regular, temporary, contractor, intern and volunteer employees); supervise; direct; evaluate; and/or set the pay for spouses, domestic partners, children, and other close relatives or dependents of themselves or other employees under their area(s) of supervision. For purposes of this policy, "other close relative" means a parent, sibling, grandparent, grandchild, aunt, uncle, and cousin of either the employee or his/her spouse or domestic partner.

Should the Senior Director of Human Resources and the Executive Director determine that a relative or domestic partner of a current employee may be employed, an appropriate reporting relationship and management monitoring and oversight will be established to avoid a direct conflict of interest and/or possible breach of systems, or the perception thereof. In the event of employment of a family member, the related incumbent may not take part in or make any decisions regarding the terms and conditions of employment for a spouse, domestic partner, child or other close relative.

Non-Violent Work Environment

The Bar is committed to maintaining a nonviolent environment for its employees and visitors. If an employee encounters a situation, personal or otherwise, that could result in violence at the office or at a bar-sponsored function off-premises, the employee must immediately notify his or her department head and Human Resources. The Bar does not support and will not tolerate verbal or physical abuse of any kind on its premises or at organization-sponsored functions.

Unless authorized by the Executive Director, no employee shall knowingly or intentionally possess or carry onto Bar premises a deadly, dangerous, illegal or prohibited instrument or item of weaponry. This same rule of “no weapons” applies to all organization-sponsored functions located off the Arizona Bar Center premises as well. Prohibited instruments may include, but are not necessarily limited to, any firearm, instruments that propel projectiles or any replica thereof; any form of knife, blade or spear, including instruments of the martial arts or any other item commonly known by their use as deadly weapons. Knives brought to the work place for utilization in lunch preparation are not considered weapons under this policy. Pepper spray or similar self-protection sprays are also not considered weapons under this policy.
If any employee has obtained a protective or restraining order against another individual, a copy of this document should be filed with Human Resources.

Any employee found violating this section may be subject to disciplinary action, up to and including termination.

**Personal Telephone Usage**

Personal use of the telephone should be confined to breaks and lunch hours. Personal long distance calls must be charged to the employee’s home telephone number or his/her personal telephone credit card.

**Personal Use of Office Equipment and Supplies**

The postage meter may only be used on a very limited basis for employees' personal matters and prompt reimbursement must be made to the Bar.

The photocopy machines may be used for occasional, small amounts of personal copying. Use of the copier for a large personal project must be approved by Office Services, and prompt reimbursement must be made.

Office supplies are not available for personal use.

**Smoking**

The Arizona Bar Center is a non-smoking facility. The office building in which its office is located is also designated as non-smoking.

Employees and visitors may smoke only in designated smoking areas. The employees who use these smoking areas are to maintain and police them. Employees are encouraged to inform visitors of the smoking areas if they observe an infraction of this policy. The Human Resources Office should be informed of situations of noncompliance or non-cooperation.

**Substance Abuse**

It is unlawful to manufacture, distribute, dispense, possess or use a controlled substance at the Bar. This policy also applies to all bar-sponsored functions located off the Arizona Bar Center premises as well. This policy does not preclude anyone from properly utilizing prescription medication dispensed by a licensed practitioner. Any employee who is found violating this policy may be subject to disciplinary action, up to and including termination.
Finances

General

All invoices and check requests must be approved by the department head before processing by the Accounting Department for payment. All Check Request Forms (SBA-Appendix G) must be properly completed and have the necessary back up documentation attached. If the back-up information is held in the requesting department to be mailed later with the check, a readable copy of the back-up information must be attached to the check request. If the check is to be mailed by the Accounting Department, it is necessary to include a copy of the back-up documentation to be sent out with the check and a copy to be kept in Accounting.

To ensure compliance with federal regulations, supporting documentation for check requests and reimbursements in connection with the Membership Assistance Program shall not disclose the identity of attorney participants but should include a file description. Supporting documentation provided to Accounting for check requests and reimbursement in connection with discipline/disability matters should reference file numbers, not the individual attorneys.

State Bar of Arizona Checks

Computer-generated checks are issued every Friday. All check requests and invoices must be submitted to the Accounting Department by 2:00 p.m. the preceding Wednesday. In an emergency, when a "manual" check is needed before Friday, the person requesting the check must obtain the necessary approval and signatures before submitting the request to the Accounting Department. Care should be taken to request manual checks only in the event of an emergency.

Reimbursements

Occasionally, it is necessary to incur out-of-pocket expenses on behalf of the organization. In these cases, the Expense Reimbursement form should be used so that the organization may properly account for these expenditures.

Expenses that will be reimbursed include reasonable amounts for the following: meals, soda, coffee, tea, mileage, airfare, lodging and tips. Lodging expenses should only be incurred when legitimate business requires overnight stay. Any expenses not listed herein will need prior approval from an employee’s department head in order to be reimbursed.

All receipts should be stapled to a plain sheet of paper noting the proper documentation for each expenditure. Proper documentation includes all of the following:

1. The amount of each separate expenditure;
2. The date each expenditure took place;
3. The place (name and address of location) and description of expenditure;
4. The business purpose and nature of the business benefit expected to be achieved; and
5. The business relationship to the employee of other persons.
The Bar will not reimburse employees for items such as alcoholic beverages, penalties, late fees, tickets or citations absent specific department head approval.

Expense reimbursement forms must include proper approvals, backup and IRS documentation, and all footings (math calculations) must be correct before processing can occur. Proper approval entails review of all expenses for appropriateness and supervisor/department head signature.

**Petty Cash**

Whenever possible, out-of-pocket costs will be reimbursed to the employee by check. However, when the amount needed is less than $25.00, an employee may be reimbursed from the petty cash fund maintained in the Accounting Department. In order to be reimbursed from petty cash, it is necessary to complete a petty cash voucher indicating the purpose of the expenditure and, when appropriate, identifying the department to be billed for the expense. The voucher can be obtained from the Accounting Department.

The petty cash fund may not be used for cashing personal or payroll checks, travel advances or supplying change for the vending machines.
Procedure for Evaluation of the Executive Director

The Board of Governors recognizes that one of its most important responsibilities is the ongoing evaluation of, and provision of direction and performance feedback to, the State Bar of Arizona’s Executive Director. This procedure sets forth the steps by which the Executive Director’s annual performance appraisal/evaluation is to be completed.

1) By June 1 of each year, the Executive Director or Senior Director for Human Resources shall remind the Board of its responsibility to complete the annual evaluation of the Executive Director.

2) The annual evaluation process shall be conducted under the direction of the Scope and Operations Committee and shall solicit feedback from Board members and managers. This process may also solicit feedback from other stakeholders as deemed appropriate by the Scope and Operations Committee.

3) Working with the Human Resources (HR) Committee, the Executive Director and Senior Director for Human Resources shall draft or update the evaluation instrument(s) to be used and shall present the instrument(s) to the HR Committee for approval. Once finalized, the HR Committee shall present the instrument(s) to the Scope and Operations Committee for approval.

4) The evaluations shall be completed during the second quarter of the calendar year. All Board members are required to complete an evaluation of the Executive Director.

5) The Scope and Operations Committee shall convene an Executive Director Review Committee for the purpose of reviewing and reporting on evaluation results. This committee shall consist of the members of Scope and Operations, the Chairs of the Human Resources and Finance Committees, and the immediate Past President, who will serve in an ex-officio capacity.

6) The Executive Director Review Committee or designee (e.g., Senior Director of Human Resources) shall prepare the results of the evaluations.

7) The Executive Director Review Committee shall present a summary report on the evaluations to the full Board in executive session, ideally at the September Board meeting. At that time, the Board of Governors will consider what, if any, salary increase and/or bonus amount should be awarded based on the Executive Director’s performance during the previous year.
8) The Executive Director Review Committee shall designate a coaching team to thoroughly discuss the evaluation results and the Board’s observations regarding those results with the Executive Director. The coaching team shall consist of the members of the Scope and Operations Committee, the chair of the HR Committee, and may include other Board members as selected by the President.

9) The annual evaluation process shall ideally be completed by the end of October.

Adopted by the Board of Governors June 14, 2006.
SALARY ADMINISTRATION PLAN

In 1998, following extensive study by the consulting firm Hay Group Associates, the Board adopted a new job classification and compensation plan for employees. This plan was implemented in January 1999. The plan is periodically audited and updated to maintain compatibility with the job market, with the most recent audit having been conducted in 2005.

The job classification and compensation plan is administered consistent with the Compensation Philosophy adopted by the Board of Governors on April 15, 2005. Recommendations for changes in salary ranges, market adjustments and performance pay are provided to the Board, through the HR and Finance Committees, usually as part of the annual budget process.
STATE BAR OR ARIZONA

STATEMENT OF HUMAN RESOURCES AND
COMPENSATION PHILOSOPHY

The State Bar of Arizona and its Board of Governors recognize that employee salaries and other employee-related expenses comprise the largest investment the organization makes. In order to most effectively recruit, retain and manage its human capital, the State Bar has adopted a Human Resources (HR) philosophy that values and promotes the development and advancement of its employees. It has also adopted a market-based, total compensation strategy that includes monetary rewards for consistently outstanding performance. Within this strategy, the State Bar’s Executive Director, through the executive management team, will ensure the effective delivery of Human Resources services in full compliance with applicable employment laws and guidelines, and consistent with the professional standards identified in Attachment A. Management will further ensure that Human Resources programs, policies and procedures will reinforce the short- and long-term HR objectives and Long Range Plan of the State Bar.

The compensation program (compensation and benefits opportunity and delivery) for State Bar employees will be designed to support the mission of the State Bar to “serve the public and enhance the legal profession by promoting the competency, ethics and professionalism of its members and enhance the administration of justice.” The foundation of the compensation plan is a commitment to motivate, recognize and reward employees individually and collectively for their contributions and achievements as the State Bar meets its commitments to the community and the people of Arizona. Fiscal responsibility requires that this foundation be administered in a consistent manner throughout the State Bar based on consistent principles.

The basis of the compensation program will be properly classified employees who will be paid within a salary structure that is externally competitive and internally equitable. It is the State Bar’s responsibility to ensure that employees are properly graded and the pay structure is kept current with the appropriate market. It is the employees’ responsibility to earn any available performance pay through the achievement of pre-determined and mutually agreed performance standards. The scope of this compensation philosophy includes the following objectives:

1. Based on advice from the Executive Director, the Board of Governors (via its Human Resources Committee) will oversee the consistent application of the compensation program and will ensure that it is administered within the framework of this philosophy. The Executive Director, through the Senior Director of Human Resources, will be accountable for the consistent application of the plan policies and components throughout the State Bar.

2. As with other HR programs, the compensation program will be consistent throughout the State Bar, yet will be flexible to meet changing and specific needs. This will allow for multiple pay plans if required.

3. Employee compensation will reflect both the internal value of a position and the value placed on that role in the appropriate market. The internal value will be measured through the sound and consistent application of the point factor analysis method of job evaluation.
4. While recognizing that with service and tenure comes both experience and loyalty, the primary pay delivery mechanisms will be based on pay for differences in job content, pay for the achievement of pre-determined performance objectives and the demonstration of mutually agreed behavioral competencies. The compensation program will offer the opportunity for the reinforcement of results achieved at individual, team and department level through the use of variable compensation.

5. All aspects of compensation (base salary, benefits and if applicable, bonuses) will be considered as a total reward package for State Bar employees. Employees will be advised of the total costs the organization invests on their behalf via the annual delivery of total compensation statements.

6. Total compensation, as defined above, will be targeted at a competitive level when compared to the appropriate and current labor markets (i.e., other not-for-profit organizations, public sector employers, associations and private sector employers in defined geographic locations and industries) to allow the State Bar to attract and retain highly qualified, highly motivated and high performing employees it needs to meet its goals and objectives.

7. There will be a planned approach, including ongoing benchmarking and evaluation of salaries, to ensure that internal equity is maintained.

8. A planned program of ongoing communication and training will be a critical component of compensation administration. The Human Resources staff shall have this responsibility.

9. Compensation increases will be affordable and in the best interests of the State Bar as an employer and provider of services. Consideration of overall compensation will be done within a context of market trends, staffing needs, productivity and financial priorities of the Bar and/or the Board.

10. The compensation program will create a climate where employees are recognized and rewarded, while providing the State Bar with the opportunity to meet its “return on human resources investment” objectives.
Attachment A

HUMAN RESOURCES CODE OF ETHICS AND PROFESSIONAL STANDARDS

The personal standards of honor and integrity of certified Human Resources (HR) professionals must, at all times, be above reproach and conduct should be in a manner that reflects favorably on the profession. By adhering to the highest standards of honor and integrity, HR professionals create an ethical climate within their organizations. HR professionals have a duty to protect the interests of employees, the organization and society and to promote and encourage:

- Honesty and trustworthiness in all working relationships.
- Reliability in performing assigned responsibilities.
- Truthfulness and accuracy in what is said and written.
- Constructiveness and cooperation in working relationships.
- Fairness, consideration and nondiscrimination in how we treat others.
- Adherence to the law in all activities.
- Economical use of resources.
- Commitment to excellence in the performance of work.
- Respect for the privacy of others.

Core Principle 1

HR professionals are responsible for adding value to the organizations they serve and contributing to the ethical success of those organizations. They accept professional responsibility for their individual decisions and actions. They are also advocates for the profession by engaging in activities that enhance its credibility and value.

Intent

- To build respect, credibility and strategic importance for the HR profession within our organizations, the business community, and the communities in which we work.
- To assist the organizations we serve in achieving their objectives and goals.
- To inform and educate current and future practitioners, the organizations we serve, and the general public about principles and practices that help the profession.
- To positively influence workplace and recruitment practices.
- To encourage professional decision-making and responsibility.
- To encourage social responsibility.

Guidelines

1. Adhere to the highest standards of ethical and professional behavior.
2. Measure the effectiveness of HR in contributing to or achieving organizational goals.
3. Comply with the law.
4. Work consistent with the values of the profession.
5. Strive to achieve the highest levels of service, performance and social responsibility.
6. Advocate for the appropriate use and appreciation of human beings as employees.
7. Advocate openly and within the established forums for debate in order to influence decision-making and results.
**Core Principle 2**

HR professionals are expected to exhibit individual leadership as a role model for maintaining the highest standards of ethical conduct.

**Intent**
- To set the standard and be an example for others.
- To earn individual respect and increase our credibility with those we serve.

**Guidelines**

1. Be ethical; act ethically in every professional interaction.
2. Question pending individual and group actions when necessary to ensure that decisions are ethical and are implemented in an ethical manner.
3. Seek expert guidance if ever in doubt about the ethical propriety of a situation.
4. Through teaching and mentoring, champion the development of others as ethical leaders in the profession and in organizations.

**Core Principle 3**

HR professionals are ethically responsible for promoting and fostering fairness and justice for all employees and their organizations.

**Intent**
- To create and sustain an environment that encourages all individuals and the organization to reach their fullest potential in a positive and productive manner.

**Guidelines**

1. Respect the uniqueness and intrinsic worth of every individual.
2. Oppose all forms of discrimination and harassment, and promote affirmative action.
3. Treat people with dignity, respect and compassion to foster a trusting work environment for all employees.
4. Develop, administer and advocate policies and procedures that promote ethical behavior and foster fair, consistent and equitable treatment for all, and ensure that individuals are held accountable for their conduct.
5. Ensure that everyone has the opportunity to express their career interests and to develop their skills and new competencies.
6. Assure an environment of inclusiveness and a commitment to diversity in the organizations we serve.
7. Regardless of personal interests, support decisions made by our organizations that are both ethical and legal.
8. Act in a responsible manner and practice sound management in the jurisdictions in which the organizations we serve operate.
Core Principle 4

HR professionals must maintain a high level of trust with their stakeholders. They must protect the interests of their stakeholders as well as their own professional integrity and should not engage in activities that create actual, apparent, or potential conflicts of interest.

Intent

- To avoid activities that are in conflict or may appear to be in conflict with any of the provisions of this Code of Ethics and Professional Standards or with one's responsibilities and duties as a member of the human resource profession and/or as an employee of any organization.

Guidelines

1. Adhere to and advocate the use of published policies on conflicts of interest within your organization.
2. Refrain from using your position for personal, material or financial gain or the appearance of such.
3. Refrain from giving or seeking preferential treatment in the human resources processes.
4. Prioritize your obligations to identify conflicts of interest or the appearance thereof; when conflicts arise, disclose them to relevant stakeholders.

Core Principle 5

HR professionals consider and protect the rights of individuals, especially in the acquisition and dissemination of information while ensuring truthful communications and facilitating informed decision-making.

Intent

- To build trust among all organization constituents by maximizing the open exchange of information, while eliminating anxieties about inappropriate and/or inaccurate acquisition and sharing of information.

Guidelines

1. Acquire and disseminate information through ethical and responsible means.
2. Ensure only appropriate information is used in decisions affecting the employment relationship.
3. Investigate the accuracy and source of information before allowing it to be used in employment related decisions.
5. Safeguard restricted or confidential information.
6. Take appropriate steps to ensure the accuracy and completeness of all communicated information about HR policies and practices.
7. Take appropriate steps to ensure the accuracy and completeness of all communicated information used in HR-related training.
Core Principle 6

HR professionals must strive to meet the highest standards of competence and commit to strengthen their competencies on a continuous basis.

Intent

- To expand our knowledge of human resource management to further our understanding of how our organizations function.
- To advance our understanding of how organizations work ("the business of the business").

Guidelines

1. Pursue formal academic opportunities.
2. Commit to continuous learning, skills development and application of new knowledge related to both human resource management and the organizations we serve.
3. Contribute to the body of knowledge, the evolution of the profession and the growth of individuals through teaching, research and dissemination of knowledge.
4. Pursue certification such as CCP, CEBS, PHR, SPHR, etc. where available, or comparable measures of competencies and knowledge.

Developed: February 2005

ALCOHOLIC BEVERAGES

No reimbursement will be made for the cost of alcoholic beverages to those traveling on State Bar business. This is a reaffirmation of an already understood, but up to this point unwritten, policy.

Formally adopted by the Board of Governors on January 15, 1999.
AMICUS CURIAE PARTICIPATION POLICY

This Policy sets forth the standards which the Board of Governors of the State Bar of Arizona (SBA) will apply in determining whether to authorize the appearance of the SBA in pending litigation as amicus curiae, and the procedures which parties must follow to secure such authorization.

1. General Standards for and Restrictions Upon Participation by SBA as Amicus Curiae in Pending Litigation.

The filing of a brief in the name of the SBA as amicus curiae must be authorized by its Board of Governors or, in emergency situations where time constraints preclude consideration by the full Board, by the Board’s Scope and Operations Committee. The Board will only act upon an application to file an amicus curiae brief submitted by a Section or Committee of the SBA, or by one of the parties in the case in which the brief is to be submitted, or other interested person or entity. The Board will consider, but is not bound by, the recommendation of its Committee on Amicus Curiae Briefs, which will initially consider any such application.

An amicus curiae brief filed in the name of the SBA will be authorized only when the position to be advanced is (a) consistent with previously adopted policy of the SBA or one of its Committees or Sections, or (b) a matter of significant public interest that the Board then adopts as a policy of the SBA, or (c) of special significance to lawyers or the legal profession in Arizona. If the proposed brief advances a position that has not been previously adopted as a policy of the SBA, the Board must adopt that position as SBA policy before authorizing the filing of the brief. In such case, the burden is on the proponent of the brief to persuade the Board of the importance of adopting the policy position to be advanced.

It is the policy of the SBA to authorize the filing of amicus curiae briefs in its name sparingly and only when the brief would constitute a significant contribution to the consideration of the issue or issues involved, such as where the arguments to be made on behalf of the SBA may differ from those of the parties or where the legal profession has a unique or distinct perspective to offer. Except in unusual circumstances, amicus curiae briefs will be authorized only in cases which have reached the appellate level, and may be filed after the appellate court has agreed to hear the case on the merits, or when the appellate court is considering whether to review a case, or both. The SBA may, in appropriate circumstances, join in amicus curiae briefs with other organizations.

Unless the Board directs otherwise, the person or entity seeking authorization that it be filed shall make arrangements to have any amicus curiae brief on behalf of the SBA drafted by counsel other than counsel representing one of the parties in the case. See Comment to 1998 Amendment to Rule 16, Ariz.R.Civ.App.Pr. The SBA will not pay legal fees for the preparation or review of an amicus curiae brief to be filed in its name, but will bear the necessary costs of printing and filing an approved brief. When an approved brief is printed and submitted to any court, ten (10) additional copies are to be provided to Chief Bar Counsel of the SBA. The brief will be filed only in the name of the SBA, and not in the name of any of its Committees or Sections.
Sections. Chief Bar Counsel is to be listed on the brief as counsel of record at the SBA’s headquarters address. The names of the lawyers and/or law firm who wrote the brief may be added as “of counsel,” but without addresses.

Briefs to be filed must comply with the relevant court’s rules concerning *amicus curiae* briefs. The rules of many appellate courts require that a motion to file an *amicus curiae* brief state the nature of the applicant’s interest and the reasons why the filing of an *amicus curiae* brief is desirable or will assist the appellate court. The motion, or if no motion is filed, the statement at the beginning of the brief, should explain that the SBA has a special interest in the case for stated reasons and that its interest may in some respects differ from that of the party supported.

2. **Procedure for Securing Preliminary Approval for Participation of the SBA as Amicus Curiae.**

A Section or Committee of the SBA, a party to the case in which the brief is to be submitted, or other interested person or entity which desires to secure the participation of the SBA as *amicus curiae* in a pending case must submit a preliminary application seeking the authorization of the Board of Governors for such participation as soon as the prospective applicant is interested in drafting an *amicus curiae* brief for the SBA. The application, the contents of which are set forth *infra*, may be in letter or memorandum form, but it is preferred that the application be submitted on the form the SBA has approved for that purpose, which is attached hereto and may be obtained from Chief Bar Counsel of the SBA. The original and five (5) copies of the preliminary application are to be submitted to Chief Bar Counsel, who will be responsible for distributing them to the members of the Board’s Committee on *Amicus Curiae* Briefs, and to the Chair of any SBA Section or Committee with an interest in the subject matter of the issue(s) to be addressed in the proposed brief.

The preliminary application is not the brief itself; rather, it is a request for preliminary approval to draft a brief for the SBA as *amicus curiae*. The Committee on *Amicus Curiae* Briefs will consider the contents of the preliminary application, and will solicit and consider the views of any affected Committee and Section of the SBA, and will submit to the Board of Governors a recommendation whether or not participation by the SBA as *amicus curiae* in the case meets the standards for such participation set forth in this Policy. The Board will consider, but is not bound by, such recommendation. An *amicus curiae* brief in the name of the SBA may not be filed unless the Board approves the preliminary application.

3. **Contents of Application for Preliminary Approval.**

The application for preliminary approval of the Board of Governors for the filing of an *amicus curiae* brief in the name of the SBA must contain the following:

a. The style or caption of the case, an identification of the last court to render a decision in the case, and of the court in which the *amicus curiae* brief is to be filed. If possible, a copy of the decision or order from which the appeal is being
taken, and any accompanying opinion and other relevant documents, should be attached.

b. A statement of the date by which the proposed *amicus curiae* brief must be filed.

c. A full statement of the relevant facts of the controversy.

d. A statement whether the policy or principle of law to be supported has been adopted by the SBA and, if so, the details concerning the manner of such adoption.

e. If the application seeks authority to file an *amicus curiae* brief in support of a position or principle of law that has not previously been adopted as SBA policy, it must contain a concise statement of the policy position to be supported and a statement of the reasons why it should be adopted by the Board of Governors.

f. An explanation of the reasons why the controversy is an important one for SBA participation and why the SBA’s participation would assist the appellate court in reaching a decision.

g. The names and firm connection, if any, of those who would actually write the *amicus curiae* brief on behalf of the SBA. Consistent with the Comment to the 1998 Amendment to Rule 16, Ariz.R.Civ.App.Pr., this may not be counsel representing any of the parties in the case.

h. A list of the Sections or Committees of the SBA that may have an interest in the issue presented. If possible, any potentially interested Section or Committee of the SBA should be consulted, and their positions on the issue ascertained, prior to the submission of the application. The application should discuss what has been done in that respect and the position, if any, of any interested Section or Committee.

i. A detailed outline of the argument to be set forth in the *amicus curiae* brief or, if already prepared, a complete draft of the brief to be filed.

As explained *supra*, the original and five (5) copies of the preliminary application must be furnished to Chief Bar Counsel of the SBA.

4. **Timing of Application.**

The application for preliminary approval should be submitted as soon as the applicant determines that participation by the SBA as *amicus curiae* is to be sought and, except in emergency situations, at least sixty (60) days before the date by which the *amicus curiae* brief must be filed. If an emergency necessitates submitting an application for preliminary approval
less than sixty (60) days before the *amicus curiae* brief is to be filed, the circumstances constituting such emergency must be explained in the application for preliminary approval.

5. **Final Approval for SBA Participation as *Amicus Curiae*; Procedure for Obtaining.**

If the Board of Governors approves the application for preliminary approval, then the applicant must submit, as soon as is reasonably practicable, the original and five (5) copies of an updated application form reflecting any changes since the filing of the application for preliminary approval, and of a draft of the proposed *amicus curiae* brief itself. These materials must be furnished to Chief Bar Counsel, who will distribute them to the members of the Board’s Committee on *Amicus Curiae* Briefs and to the Chair of any interested Section or Committee, at least thirty (30) days before the date upon which the brief must be filed, except in an emergency. As a practical matter, even in an emergency situation, in order to permit sufficient time for review and consideration of it, the proposed *amicus curiae* brief must be received by Chief Bar Counsel no less than two (2) weeks before it is to be filed.

The Committee on *Amicus Curiae* Briefs will undertake to review the updated application, and the brief itself to determine whether the proposed brief (1) is a fair representation of the policy of the SBA, (2) constitutes a meaningful contribution to the consideration of the issue addressed, and (3) is of sufficient quality to be filed in the name of the SBA. As part of its review, the Committee may suggest modifications to the proposed brief before authorizing its filing. Before the brief can be filed, the Chair of the Committee on *Amicus Curiae* Briefs must certify to the President of the SBA that the brief is of high professional quality and a fair representation of the position of the SBA, and advise the applicant that the brief may be filed.

Many courts require leave of court to file an *amicus curiae* brief. If in the court in which the proposed brief is to be filed, the consent of the parties to its filing obviates the need for a motion for leave to file, then it shall be the responsibility of the party or entity seeking to have the SBA participate as *amicus curiae* to attempt to secure such consent from the parties to the case. If such consent cannot be obtained, or if a motion for leave to file is nevertheless required, then a draft of such motion must accompany the draft of the proposed *amicus curiae* brief when it is submitted.

Any brief *amicus curiae* filed in the name of the Association shall contain the following disclaimer following the title page:

“Neither this brief nor the decision to file it should be interpreted to reflect the views of any judicial member of the State Bar of Arizona. No inference should be drawn that any judicial member of the State Bar of Arizona has participated in the adoption of or endorsement of the positions expressed in this brief.

As stated above, unless the Board directs otherwise, the person or entity seeking authorization that it be filed shall make arrangements to have any *amicus curiae* brief on behalf of the SBA drafted by counsel other than counsel representing one of the parties in the case. See
Comment to 1998 Amendment to Rule 16, Ariz.R.Civ.App.Pr. The SBA will not pay legal fees for the preparation or review of an *amicus curiae* brief to be filed in its name, but will bear the necessary costs of printing and filing an approved brief. When an approved brief is printed and submitted to any court, ten (10) additional copies are to be provided to Chief Bar Counsel of the SBA. The brief will be filed only in the name of the SBA, and not in the name of any of its Committees or Sections. Chief Bar Counsel is to be listed on the brief as counsel of record at the SBA’s headquarters address. The names of the lawyers and/or law firm who wrote the brief may be added as “of counsel,” but without addresses.
APPLICATION FOR APPROVAL TO PREPARE AND FILE BRIEF FOR THE STATE BAR OF ARIZONA AS AMICUS CURIAE

A. The style or caption of the case in which the amicus curiae brief is to be filed:

The name of the last court to render a decision in the case:

The name of the Court in which the proposed brief is to be filed:

Please attach to this Application a copy of the decision or order from which the appeal is being taken, any accompanying opinion, and any other relevant documents.

B. Specify the date by which the proposed amicus curiae brief is to be filed:

C. Provide a full statement of the relevant facts of the controversy:
D. Has the policy or principle of law to be supported been adopted by the State Bar of Arizona? __________

   (1) If “yes,” provide the particulars concerning when and the manner in which the policy or principle has been adopted by the State Bar of Arizona:

   (2) If the Application seeks authority to file an amicus curiae brief in support of a position or principle of law which has not been adopted as a policy of the State Bar of Arizona, provide a concise statement of the reasons why it should be adopted by the Board of Governors. The standard for filing an amicus curiae brief in the absence of previously adopted State Bar of Arizona policy is that the position sought to be advanced is either (a) a matter of significant public interest, or (b) a matter of special significance to lawyers or the legal profession in Arizona:

E. Set forth the reasons why this controversy is an important one for State Bar of Arizona participation and why participation by the State Bar of Arizona would assist the Court in reaching a decision, including why the contribution to resolution of the issue by the State Bar of Arizona would be in addition to that expected to be made by the parties to the case:
F. Provide the names and law firm connection, if any, of the lawyers who will actually write the *amicus curiae* brief on behalf of the State Bar of Arizona, and the name and phone number of the individual to be in charge of preparation of the brief:

G. Please list all Sections or Committees of the State Bar of Arizona which may have an interest in the issue to be addressed in the *amicus curiae* brief:

If possible, these Sections and Committees should be consulted and their positions ascertained prior to submission of this Application. The applicant should discuss here what has been done in this respect and the position, if any, of any interested Section or Committee:

H. Set forth a detailed outline of the argument to be set forth in the proposed *amicus curiae* brief: (If a draft of the brief has already been prepared, a copy should be submitted together with this Application)
ANNUAL DUES WAIVERS

Pursuant to Ariz.R.S.Ct 32 (c) 6, upon application, the Board of Governors may waive the dues of any other member for reasons of personal hardship. However, the Board of Governors does not waive dues for active members except as provided below.

As requested, State Bar members actively serving overseas in the United States military are granted a waiver of membership dues.
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### Record of Review & Substantive Changes

<table>
<thead>
<tr>
<th>Date</th>
<th>Description of Significant Review or Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>February - 2010</td>
<td>Plan published</td>
</tr>
</tbody>
</table>

### Current Issues

Following are known deficiencies that we are addressing:

**General:**
- Identify Disaster Recovery Facility
- Upgraded Phone System

### Record of Activations & Exercises

<table>
<thead>
<tr>
<th>Date</th>
<th>Description of Activation or Exercise</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/22/10</td>
<td>Tom Johnson, Rob Hosch &amp; George Schader toured the Phoenix IO Data Center</td>
</tr>
<tr>
<td>3/1/10</td>
<td>Met with the folks from the Supreme Court – Niki O’Keeffe (Director of Administrative Services), Rick Sczerbicki (Security Manager) and Dave Summers (Facility Manager)</td>
</tr>
</tbody>
</table>

### Overview

**Purpose of Plan**

This Continuity of Operations Plan (COOP) will help ensure that the State Bar of Arizona is prepared to continue to function during an emergency or threat of an emergency to the best of the Bar’s ability, and to resume critical operations efficiently and effectively if operations are interrupted.

It is the policy of the Bar to respond quickly at all levels in the event of an emergency, including human-caused, natural, technological, and other emergencies, in order to continue essential operations.

This plan applies to all State Bar of Arizona facilities. While most of the actions focus on the Phoenix location specifically, there is an annex to address any location specific issues for the office outside of Phoenix.
Applicability and Scope

- The provisions of the COOP are applicable to all State Bar of Arizona facilities.
- State Bar of Arizona employees located within the Bar’s facilities and jurisdiction. The plan is applicable to the full spectrum of human-caused, natural, and technological emergencies and disasters.
- The plan also provides guidance for, and facilitates the preparation of site or activity specific plans and procedures that help ensure the safety of Bar members and employees and allow Bar organizational elements to continue essential operations in the event of an on-site emergency such as fire, hazardous materials release, medical emergency or security situations.

Planning Assumptions

This COOP is based upon the following assumptions:

- Emergencies or threatened emergencies may adversely affect the Bar’s ability to continue to support essential operations.
- State Bar of Arizona employees may themselves become disaster victims as a result of the event and not be available to respond to provide support. This may also include leadership, which would require invoking the succession of authority portions of this plan.
- The event may directly affect local community resources, rendering them unavailable or unusable.

Types of Business Interruptions

- Loss of power
- Loss of phone system
- Loss of access to centrally stored data (LAN)
- Evacuation of facility (period of time)
- Loss of facility (entirely)

In the event of a sustained loss of power, access to the building as well as electronic information will be affected. The Bar server will go down after approximately 10 minutes. If the power goes off, the battery backup on the security access system will last for approximately eight hours. This will keep the building entry system operating normally. If the power is off for longer than eight hours, the doors will unlock and we would then station a guard to monitor the doors. When a power loss occurs in the building, a trouble signal is sent to our monitoring company and Camidor is alerted.

The following people hold master keys for the building: John Phelps, John Furlong, Tom Johnson, Synda Prindle, Leo Albright, and Rob Hosch. Those keys may be used to enter locked interior offices, but should not be used on the front doors. That would set-off an alarm the same as a forced entry.

The building doors are unlocked Monday through Friday from 7:15 a.m. to 6:00 p.m.
A security guard is on duty from 7:00 a.m. until 7:00 p.m.
With a sustained loss of power, a secondary effect is the loss of the Bar network. An increasing amount of our business revolves around the computer and specifically web based databases. In order to fully resume business, access to the internet will be critical.

**Evacuation of Facility**

Evacuation of facility for a period could occur because of any one of the following events, but not limited to: fire, flooding, hazardous materials (HAZMAT).

**Senior Management Team:** The Senior Management Team is comprised of each of the department heads and the Bar’s CEO/Executive Director. Each department head is responsible for quickly ensuring that all employees, members and visitors have evacuated their department during an emergency.

**Safety Team**
- Responsible for checking all offices, conference rooms, and restrooms.
- Assure evacuation assistance is provided to any special needs individuals

**Close all doors.** During an evacuation, staff should close all doors, but not lock the doors.

**Use nearest fire exit.** Everyone should evacuate through the nearest fire exit. Feel doors before opening them and if a door is hot, do not open it, but go to the next closest exit point.

Account for personnel. Each department head is responsible for taking a head count at the gathering point after the evacuation. The names and last known locations of anyone not accounted for should be given to person-in-charge. The person-in-charge is then responsible for notifying the responding fire personnel that an individual is missing and may be in the building.

**RECOVERY AND RESTORATION**

During an emergency, the top priorities for recovery and restoration of direct services will be:

- **Main Site**
  - Phones
  - Network Infrastructure (SAN and VM Hosts)
  - Servers and all associated applications
    - Email
    - Fileserver
    - Membership DB
    - Printing Systems
    - Accounting Systems
  - Endpoints if necessary

For Member Services, the priority will be to notify members of class changes and to reschedule members/classrooms.

Priority of support functions will be dependent upon the nature of the disaster. However, the following support functions are critical for disaster recovery, but not limited to:
Phones
Cell Phones
Internet/E-mail
Web based databases

The following is information to assist in the recovery and restoration of services. Each department’s checklist is included in this document.

Disaster Recovery Agreement

The State Bar of Arizona currently is currently negotiating Disaster Recovery agreements between IO Data Centers and The Supreme Court. These agreements are verbal and were negotiated by the CFO.

These agreements allow the State Bar of Arizona to use space at each organization’s physical location for up to 10 business days for Disaster Recovery purposes.

The space is available within 4 hours after the State Bar of Arizona determines the need for support. IO Data Centers – each of the centers has space for up to 50 people and the space is available on a first come first serve basis.

There is sufficient space at the Court to house 50 of the bar staff. In addition, if space were not available at the Court building they would make their Judicial Education Center available to the bar staff. The Court will include a copy of the bar’s COOP in their COOP. In the Court’s COOP they ask for space for up to 30 business days.

The space accommodations under the agreements provide room for up to 50 people with dial out capabilities for desktop computers and telephones all located in a separate area away from the rest of company personnel.

Disaster Recovery Locations

1. IO Data Centers Scottsdale
   8521 East Princess Drive, Scottsdale, AZ 85255
   Contact: Jennifer Hinnant / Direct 480-513-8551 / Cell 480-406-2142 / Fax 480-656-1612 / Customer Service 888-889-2627

2. IO Data Centers Phoenix
   615 N 48th Street, Phoenix, AZ 85008
   Contact: Ryan King / Direct 480-513-8519 / Cell 602-919-4400 / Fax 480-656-1612 / Customer Service 866-336-6977

3. Supreme Court Offices
   1501 West Washington, Phoenix, AZ 85007
   Contacts: Niki O’Keefe – Division Director for Administrative Services

The Senior Management Team will meet at the above location as directed and communicated by the CEO/ED. Assessment of the situation will be conducted, at which point, if deemed necessary each department will activate their department checklists. Each department head will determine which staff members need to report to this site. This location is not intended to receive Bar members Bar business of this nature will not be conducted at this site. As soon as the staff is
notified by their department lead, they are expected to report to the new location (determined depending on the kind of disaster) to work as soon as they can safely travel there.

**Line of Succession**

The Bar’s line of succession is:

1. CEO/Executive Director
2. General Counsel/Deputy Executive Director
3. Chief Bar Counsel
4. Member Services Director
5. Chief Financial Officer

**Alternative Business Sites**

Currently there is one possible alternative State Bar of Arizona site for resuming business if necessary; it is: Tucson

This site is capable of maintaining minimum number of staff to continue business operations.

**Forwarding “State Bar Main Number”**

In the event of COOP activation during business hours, if possible, the main phone line will be switched to night mode by the Information Technology Director.

Upon identifying an alternate business site, the Bar main number shall be forwarded to the new site.

The Information Technology Director will contact Qwest repair at 1 800-214-8043 and request an “emergency call forwarding” to the new number.

**ACTIVATION AND IMPLEMENTATION OF THE COOP**

**Activation**

- The COOP will be activated and implemented at the direction of the CEO/Executive Director.
- The COOP may also be implemented at the direction of the senior State Bar of Arizona official (employee) present at the site of the emergency, if the emergency is of nature requiring immediate action.
- First, if someone notices a hazardous situation they should ensure everyone is safe and that emergency personnel (“911”) notified as appropriate. Next, if it is a situation in which the COOP should be activated they should notify the CEO, and if they are not available, then proceed down the line of succession until they reach someone.
**Notification**

Once the decision to activate the COOP has been made, it is the responsibility of the activator to notify the Senior Management Team.

If the activation occurs during business hours:
- If the building must be immediately evacuated, the procedures for evacuating the building will be followed.
- If the building does not have to be evacuated immediately, each department head will work with their teams to gather all necessary equipment/forms as outlined in each department checklist.

If the activation occurs outside of business hours:
- The Senior Management Team will send notification to all employees through their department plan phone tree.
- The Chief Communications Officer will prepare and send a broadcast message to the Director of IT who will forward it to all members notifying them of the Bar situation.

Each employee is responsible for maintaining current information in their Human Resources personnel files and department plan.

**Individual Responsibilities**

While each department has responsibilities identified in their individual department checklists, there are some common responsibilities that all of us have.

Each staff member that regularly works in the office has the following responsibilities:
- Maintain current contact information in the Human Resources Personnel File.
- Know how to remotely access and update your voice mail greeting. To access your voice mail remotely, dial 602.340.7340, when greeting is heard press # and follow voice prompts to listen to messages and change your greeting if needed.
- If your department head has discussed telecommuting with you, ensure that you can access terminal.
- If you have Bar issued communications equipment, ensure that it is kept charged and working.
Department Specific Actions

Administration

Purpose: Provide administration services and oversight of Bar operations for the State Bar of Arizona, including financial management, communication and coordination with Board of Governors.

Priorities for Restoration: In the event of service disruption, priorities for restoration are as follows:
1) Safety of employees, members, and visitors
2) Service delivery to members
3) Communications to employees, members and board
4) Restore phone service
5) Restore computer email services
6) Restore access to computer network for G/Drive, P/Drive, Membership database

Line of Succession: The line of succession for overall Bar management is:
1. CEO/Executive Director
2. General Counsel/Deputy Executive Director
3. Chief Bar Counsel
4. Member Services Director
5. Chief Financial Officer

Staffing Requirements:

Essential Records/Files:

<table>
<thead>
<tr>
<th>Description of Record/File</th>
<th>Primary Location</th>
<th>Secondary Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Governors Information &amp; Records</td>
<td>SBA original Minute Books in Acctg file room. No backup for early years.</td>
<td>P: drive on Nina and Carrie’s computers for 10 yrs.</td>
</tr>
<tr>
<td>Historical Files</td>
<td>Filing cabinets in hallway between Carolyn D. and Nina B.</td>
<td></td>
</tr>
</tbody>
</table>

Primary Methods of Communicating During Emergency: E-mail, Phones, Cell Phones

Computer Support:

<table>
<thead>
<tr>
<th>Computer Service</th>
<th>Purpose of Computer Service</th>
<th>Backup Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Four Computers</td>
<td>Office desktop software</td>
<td></td>
</tr>
<tr>
<td>Internet Connection</td>
<td>Offsite e-mail access</td>
<td></td>
</tr>
</tbody>
</table>

Essential Equipment: Cell Phones, E-mail and access to Internet

Location/Facility Needs: Could work from remote locations
Overall Organization Management: Evacuation of Facility, Loss of Facility or Staff Unable to Report to Work

**Description:** In the event of loss of power, inability to utilize facility or report to work, overall chapter management will continue to function to the best of their abilities prior to reaching the relocation site.

<table>
<thead>
<tr>
<th>Action</th>
<th>Person Responsible</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verify the event through outside sources.</td>
<td>CEO/ED</td>
<td></td>
</tr>
<tr>
<td>Notify Senior Management of COOP activation.</td>
<td>COOP Activator</td>
<td></td>
</tr>
<tr>
<td>Notify employees of COOP activation (if after business hours)</td>
<td>Senior Management</td>
<td></td>
</tr>
<tr>
<td>Assess facility situation and determine whether to relocate.</td>
<td>CEO/ED</td>
<td></td>
</tr>
<tr>
<td>Activate relocation site agreement.</td>
<td>CEO/ED</td>
<td></td>
</tr>
<tr>
<td>Notify Tucson Regional Office of Bar relocation.</td>
<td>Member Services Director</td>
<td></td>
</tr>
</tbody>
</table>

**Ending Relocation Site Operations and Transition**

<table>
<thead>
<tr>
<th>Action</th>
<th>Person Responsible</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verify with local officials that re-entry is now possible.</td>
<td>CEO/ED</td>
<td></td>
</tr>
<tr>
<td>Coordinate with employees regarding re-occupancy of Bar facility.</td>
<td>Senior Management Team</td>
<td></td>
</tr>
<tr>
<td>Develop transition plans for re-occupancy.</td>
<td>Senior Management Team</td>
<td></td>
</tr>
</tbody>
</table>

Administration: Evacuation of Facility, Loss of Facility or Staff Unable to Report to work

**Description:** In the event of a loss of facility, with adequate time to evacuate, office supplies that will be needed at the relocation site.

Supplies Needed Include:
- Pens, Pencils, etc.
- Legal Pads
- Battery Powered Radio
- Staplers
- Staples
- Hole Punches
- 3 ring binders
- Post it notes
- Envelopes
- Letter Head/Second Sheets
- Postage
Legal Services

Purpose:

Priorities for Restoration: In the event of service disruption, priorities for restoration are as follows:
1) Phones
2) Internet

Line of Succession: The line of succession for the Legal Services is:
1. General Counsel/Deputy Executive Director
2. Ethics Counsel

Staffing Requirements:

Essential Records/Files:

<table>
<thead>
<tr>
<th>Description of Record/File</th>
<th>Primary Location</th>
<th>Secondary Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethics-committees: folders binders e-files</td>
<td>Desk and cubicle --MT</td>
<td>In P; drive; G:drive</td>
</tr>
<tr>
<td>Conservatorships: client files, office files</td>
<td>File cabinets and file room</td>
<td>Offsite location at 24th Street</td>
</tr>
<tr>
<td>Client Protection Fund: open and closed claims, bank and financial info, minutes, annual reports and audits</td>
<td>KW cubicle Special services file re room</td>
<td>Archives at Iron Mountain</td>
</tr>
<tr>
<td>UPL: UPL records complaints files</td>
<td>UPL file cabinet</td>
<td>Karen B’s office</td>
</tr>
<tr>
<td>Fee arb and peer review: arb files and peer files and records</td>
<td>Fee arb file cabinet and Special services room</td>
<td>Peggy’s cubicle</td>
</tr>
<tr>
<td>General Counsel files, papers and records including litigation and board matters</td>
<td>File cabinets in Lawyer Reg department, and P and G drives on GC computer and legal assistant computer</td>
<td>John’s office; Anne’s office</td>
</tr>
</tbody>
</table>

Primary Methods of Communicating During Emergency: E-mail, Phones, and Cell Phones

Computer Support:

<table>
<thead>
<tr>
<th>Computer Service</th>
<th>Purpose of Computer Service</th>
<th>Backup Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>All of the above departments use desktop /internet</td>
<td>Communication, emailing resource tool and backup</td>
<td>Home computers to access P or G drives remotely if Bar office is inaccessible SECONDARY BACK UP --Telephone</td>
</tr>
</tbody>
</table>

Essential Equipment: Cell Phones, E-mail and access to Internet
**Location/Facility Needs:** Could work from remote locations but office of general counsel and conservatorship department would need access at least weekly to facility -- other departments would also need occasional access but not necessarily on a weekly basis.

**Legal Services: Evacuation of Facility, Loss of Facility or Staff Unable to Report to Work**

**Description:** In the event of loss of power, inability to utilize facility or report to work, each department will continue to function remotely to the best of their ability until a relocation or re-occupancy is permitted.

<table>
<thead>
<tr>
<th>Action</th>
<th>Person Responsible</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verify from CEO or board president or outside source that contingency exists</td>
<td>General Counsel (GC)</td>
<td></td>
</tr>
<tr>
<td>Make personal or phone contact with each department head</td>
<td>GC</td>
<td></td>
</tr>
<tr>
<td>Notify employees in each department of Coop activation</td>
<td>Department heads or GC</td>
<td></td>
</tr>
<tr>
<td>Monitor and manage each department’s offsite access and work continuity efforts</td>
<td>GC</td>
<td></td>
</tr>
<tr>
<td>Await contact and re entry orders form CEO or Board. Notify staff</td>
<td>GC</td>
<td></td>
</tr>
</tbody>
</table>

**Legal Services: Evacuation of Facility, Loss of Facility or Staff Unable to Report to work**

**Description:** In the event of a loss of facility, with adequate time to evacuate, office supplies that will be needed at the relocation site.

Supplies Needed Include:
- Pens, Pencils, etc.
- Legal Pads
- Battery Powered Radio
- Staplers
- Staples
- Hole Punches
- 3 ring binders
- Post it notes
- Envelopes
- Letter Head
Lawyer Regulation

Purpose: Investigate allegations of misconduct by lawyers in Arizona; prosecution of formal and informal discipline matters; provide services to lawyers through Member Assistance Program and Law Office Management Assistance Program.

Priorities for Restoration: In the event of service disruption, priorities for restoration are as follows:
1) Phones
2) Internet
3) Data management programs: Time Matters and Microsoft Office suite and Outlook

Line of Succession: The line of succession for the Lawyer Regulation is:
1. Chief Bar Counsel
2. Deputy Chief Bar Counsel

Staffing Requirements:
50% of staff (lawyers and support staff) could maintain minimal functioning of department immediately following catastrophic event for a limited period of time.

Essential Records/Files:

<table>
<thead>
<tr>
<th>Description of Record/File</th>
<th>Primary Location</th>
<th>Secondary Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intake files</td>
<td>A/CAP department, including support staff cubicles and lawyer’s offices</td>
<td>Records Department</td>
</tr>
<tr>
<td>Investigative files</td>
<td>LRO central filing island</td>
<td>Legal assistant’s cubicles and lawyer’s offices</td>
</tr>
<tr>
<td>Probation/Diversion files</td>
<td>File cabinets in central hallway</td>
<td>LOMAP offices</td>
</tr>
<tr>
<td>Formal files</td>
<td>Legal assistant’s cubicles</td>
<td>Lawyer’s offices</td>
</tr>
<tr>
<td>MAP/LOMAP client files</td>
<td>Lawyer Assistance Program offices</td>
<td>MAP Director’s office/LOMAP staff offices</td>
</tr>
<tr>
<td>Rules and Standard</td>
<td>Lawyer’s offices</td>
<td>LRO library</td>
</tr>
</tbody>
</table>

Primary Methods of Communicating During Emergency: E-mail, Phones, and Cell Phones

Computer Support:

<table>
<thead>
<tr>
<th>Computer Service</th>
<th>Purpose of Computer Service</th>
<th>Backup Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discipline Database</td>
<td>File set up/file information</td>
<td>Access information through Disciplinary Clerk’s Office</td>
</tr>
<tr>
<td>Time Matters</td>
<td>Document creation, document retrieval, partial electronic record</td>
<td>Use hard copies of files to retrieve information; create documents in Word outside of TM</td>
</tr>
<tr>
<td>Microsoft Office Suite (particularly Word)</td>
<td>Document creation</td>
<td></td>
</tr>
</tbody>
</table>

- 13 -
188
Microsoft Outlook | Access to e-mail, calendars | Maintain manual calendars, use personal e-mail for communication, phones
---|---|---
Internet access | Access to Disciplinary Clerk, research tools | ---

**Essential Equipment:** Cell Phones, E-mail and access to Internet, home computers for remote access, working access to Time Matters and Outlook

**Location/Facility Needs:** Can work from remote locations, but would need regular access to office for files on at least a weekly or multiple times per week.

**Lawyer Regulation: Evacuation of Facility, Loss of Facility or Staff Unable to Report to work**

**Description:** In the event of loss of power, inability to utilize facility or report to work,

<table>
<thead>
<tr>
<th>Action</th>
<th>Person Responsible</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verify emergency and extent of facility loss</td>
<td>Chief Bar Counsel</td>
<td></td>
</tr>
<tr>
<td>Notify staff to begin working remotely, enable access to offices</td>
<td>Chief Bar Counsel</td>
<td></td>
</tr>
<tr>
<td>Check calendars, ensure all proceedings have coverage</td>
<td>Deputy Chief Bar Counsel</td>
<td></td>
</tr>
<tr>
<td>Monitor and manage remote work</td>
<td>Deputy Chief Bar Counsel</td>
<td></td>
</tr>
<tr>
<td>Provide updates on situation to staff; notify staff of ability to resume normal operations</td>
<td>Chief Bar Counsel; Deputy Chief Bar Counsel</td>
<td></td>
</tr>
</tbody>
</table>

**Lawyer Regulation: Evacuation of Facility, Loss of Facility or Staff Unable to Report to work**

**Description:** In the event of a loss of facility, with adequate time to evacuate, office supplies that will be needed at the relocation site.

Supplies Needed Include:

- Pens, Pencils, etc.
- Legal Pads
- Battery Powered Radio
- Staplers
- Staples
- Hole Punches
- 3 ring binders
- Post it notes
- Envelopes
- Letter Head
- Postage
- Computers (laptops)
- Books: Rule books, *Standards*
- File backers and fasteners
**Member Services**

**Purpose:** To provide a full array of services to members of the state bar which will support the practice of law and administration of justice.

**Priorities for Restoration:** In the event of service disruption, priorities for restoration are as follows:
1) Phones
2) Internet

**Line of succession:** The line of succession for the Member Services is:
1. Member Services Director
2. Resource and Sections Director
3. Senior CLE Program Coordinator

**Staffing Requirements:**

**Essential Records/Files:**

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of Record/File</th>
<th>Primary Location</th>
<th>Secondary Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLE Programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- seminar calendar</td>
<td>Seminars by date</td>
<td><a href="http://www.myazbar.org/CLE">www.myazbar.org/CLE</a> calendar</td>
<td>G:/wppub/cleddept/seminar schedule</td>
</tr>
<tr>
<td></td>
<td>- seminar registration</td>
<td>List of seminar attendees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>lists</td>
<td>Start Access open existing file:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>g:\wppub\cleddept\CLERegList</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>click on Generate Participant</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Registration List type in the 5-digit event #</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Live webcasts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sections/Committees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Section Meetings</td>
<td>Calendar</td>
<td>Current year: <a href="http://www.myazbar.org">www.myazbar.org</a></td>
<td>Hard copy files on filed on Section liaison’s credenza.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>\G:\public\wppub\Com-Sec\Sections\All Sections</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Individual Sections Docs</td>
<td>Minutes, Notices, Newsletters, etc.</td>
<td>2002- Current: \G:\public\wppub\Com-Sec\Sections\All Sections</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Committee Meetings Calendar</td>
<td>Outlook room calendar</td>
<td></td>
</tr>
<tr>
<td>Resource Center</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Resource Center docs</td>
<td>Current year</td>
<td>G:\membership</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Membership Dues (if occurrence during dues process)</td>
<td>Statements in Process Batch Reports</td>
<td>Statements current in entry process: filed on top of two-drawer file cabinets in RC Dept. Current year: All dues batch</td>
</tr>
</tbody>
</table>
- Address Changes

<table>
<thead>
<tr>
<th>Requests</th>
<th>Current year: Hard copies in hanging file on back right cubicle in RC Dept.</th>
</tr>
</thead>
</table>

- Status Changes

<table>
<thead>
<tr>
<th>Requests</th>
<th>Current year: All hard copies are filed in middle left-side two-drawer file cabinet, top drawer, in RC Dept.</th>
</tr>
</thead>
</table>

- MCLE

| - affidavit (aff and all related forms) | By year and then by atty bar number | G:/wppub/mcle | Notes screen of member (but only since June 09). Inconsistent paper records prior to that; may not be complete. |
| - suspensions                        | By atty bar number                  | Notes screen of member |
| - reinstatements                     | Form letters in G folder.           | Original of exempt/excused affirmations in Cdl’s office. Other affirmations destroyed after attendance |

- BLS

| By area of specialization, then atty name | G:/wppub/defs | Database screen Complete files in filing room |

**Primary Methods of Communicating During Emergency**: E-mail, Phones, Cell Phones

**Computer Support**:

<table>
<thead>
<tr>
<th>Computer Service</th>
<th>Purpose of computer Service</th>
<th>Backup Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLE-9 computers</td>
<td>Office desktop software</td>
<td>Telephone</td>
</tr>
<tr>
<td>SRO-2 computers</td>
<td>Office desktop software</td>
<td>Telephone</td>
</tr>
<tr>
<td>Resource-5 computers</td>
<td>Office desktop software</td>
<td>Telephone</td>
</tr>
<tr>
<td>Sections-4 computers</td>
<td>Office desktop software</td>
<td>Telephone</td>
</tr>
<tr>
<td>MCLE/BLS-3 computers</td>
<td>Office desktop software</td>
<td>Telephone</td>
</tr>
</tbody>
</table>

**Essential Equipment**: Cell Phones, computer and printer

**Location/Facility Needs**: Could work remotely with computer/printer; database access, ACCESS, word, excel software, pdf writer and telephones.
Member Services: Evacuation of Facility, Loss of Facility or Staff Unable to Report to Work

**Description:** In the event of loss of power, inability to utilize facility or report to work,

<table>
<thead>
<tr>
<th>Action</th>
<th>Person Responsible</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLE registration Lists</td>
<td>CLE Registrar and CLE seminar coordinators</td>
<td></td>
</tr>
<tr>
<td>CLE Webcasts held live onsite</td>
<td>Webcast coordinator, distance learning coordinator</td>
<td></td>
</tr>
<tr>
<td>Resource Center</td>
<td>Resource Center Director</td>
<td></td>
</tr>
<tr>
<td>MCLE/BLS</td>
<td>MCLE manager</td>
<td></td>
</tr>
<tr>
<td>SRO</td>
<td>SRO manager</td>
<td></td>
</tr>
<tr>
<td>Sections</td>
<td>Resource Center Director</td>
<td></td>
</tr>
</tbody>
</table>

Member Services: Evacuation of Facility, Loss of Facility or Staff Unable to Report to work

**Description:** In the event of a loss of facility, with adequate time to evacuate, office supplies that will be needed at the relocation site.

Supplies Needed Include:
- Pens, Pencils, etc.
- Legal Pads
- Battery Powered Radio
- Staplers
- Staples
- Hole Punches
- 3 ring binders
- Post it notes
- Envelopes
- Letter Head
Finance & Building Operations

**Purpose:** Provide financial services to the Bar, including Accounts Payable, Accounts Receivable, Payroll and General Ledger

**Priorities for Restoration:** In the event of service disruption, priorities for restoration are as follows:
1) Accounts Payable – The CFO maintains small supply of blank checks at his home.
2) Payroll (Immediately determine payroll policies, who will be paid for what period of time – sick/vacation/etc.)
3) Accounts Receivable
4) General Ledger

**Line of Succession:** The line of succession for Accounting is:
1. Chief Financial Officer
2. Controller

**Staffing Requirements:**
One person to process payment of checks, one person to process payroll, one person to receipt monies and one person to post and verify financial transactions.

**Essential Records/Files:**

<table>
<thead>
<tr>
<th>Description of Record/File</th>
<th>Primary Location</th>
<th>Secondary Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wells Fargo CEO Cash Mgt software</td>
<td>Internet</td>
<td>Internet</td>
</tr>
<tr>
<td>Access to Great Plains Software for all accounting records</td>
<td>Bar Server</td>
<td>Bar Backup Server</td>
</tr>
<tr>
<td>Access to Paychex Software</td>
<td>Internet</td>
<td>Internet</td>
</tr>
<tr>
<td>Drives: G/P/X</td>
<td>Bar Server</td>
<td>Bar Backup Server</td>
</tr>
<tr>
<td>Access to incoming mail</td>
<td>Post Office</td>
<td>Post Office</td>
</tr>
<tr>
<td>Daily Bank Deposit Access</td>
<td>Wells 24th St. and Camelback</td>
<td>Any other branch</td>
</tr>
</tbody>
</table>

**Primary Methods of Communicating During Emergency:** E-mail, Phones, Cell Phones

**Computer Support:**

<table>
<thead>
<tr>
<th>Computer Service</th>
<th>Purpose of Computer Service</th>
<th>Backup Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Financial Officer – has home computer, internet access and printer.</td>
<td>To conduct bar business</td>
<td>Use Bar provided computer and printer</td>
</tr>
<tr>
<td>Controller – has home computer, internet access and printer.</td>
<td>To conduct bar business</td>
<td>Use Bar provided computer and printer</td>
</tr>
<tr>
<td>Payroll Administrator - has home computer, internet access and printer.</td>
<td>To process payroll and other accounting services</td>
<td>Use Bar provided computer and printer</td>
</tr>
<tr>
<td>Senior Accountant - has home computer, internet access and printer.</td>
<td>To conduct bar business – process accounting transactions</td>
<td>Use Bar provided computer and printer</td>
</tr>
<tr>
<td>Accounts Receivable -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable -</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Office Administrator - Use Bar provided internet, computer and printer

Conduct bar business

Telephone

**Essential Equipment:** Cell Phones, E-mail and access to Internet

**Location/Facility Needs:** Could work from remote locations or home.

**Finance: Evacuation of Facility, Loss of Facility or Staff Unable to Report to Work**

**Description:** In the event of loss of power, inability to utilize facility or report to work, Accounting Services will continue to function as soon as they are able to report to the relocation site.

<table>
<thead>
<tr>
<th>Action</th>
<th>Person Responsible</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess facility situation and determine whether to relocate accounting</td>
<td>CFO</td>
<td></td>
</tr>
<tr>
<td>services.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If relocation, determine alternate location to establish accounting</td>
<td>CFO</td>
<td></td>
</tr>
<tr>
<td>services.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notify accounting staff of relocation decision</td>
<td>CFO</td>
<td></td>
</tr>
<tr>
<td>If relocating, Check Requests, calculator, list of check signers, copies</td>
<td>Controller</td>
<td></td>
</tr>
<tr>
<td>of manuals &amp; policies.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If network not accessible at new location, establish manual record-</td>
<td>CFO</td>
<td></td>
</tr>
<tr>
<td>keeping procedures beginning with procurement and then payroll.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At new location, provide accounting support to assist relief operations</td>
<td>CFO</td>
<td></td>
</tr>
<tr>
<td>and restoration of business operations. If network is not available,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>process payments and payroll.</td>
<td>CFO</td>
<td></td>
</tr>
<tr>
<td>When network becomes available, post all manual records to the network</td>
<td>CFO</td>
<td></td>
</tr>
<tr>
<td>At end of relocation, notify all interested parties and transfer all</td>
<td>CFO</td>
<td></td>
</tr>
<tr>
<td>pertinent manual records.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Finance: Evacuation of Facility, Loss of Facility or Staff Unable to Report to work**

**Description:** In the event of a loss of facility, with adequate time to evacuate, office supplies that will be needed at the relocation site.

**Supplies Needed Include:**
- Pens, Pencils, etc.
- Post it notes
  - Legal Pads
  - 3 ring binders
- Battery Powered Radio
- Staplers
- Staples
- Hole Punches
- Envelopes – the CFO maintains a box of 500 at his home
- Letterhead – the CFO maintains a box of 500 sheets at his home
- Calculators
- Blank Check Stock
**Human Resources**

**Purpose:** Provide Human Resource services to each department during the activation of COOP

**Priorities for Restoration:** In the event of service disruption, priorities for restoration are as follows:
1) Phones
2) Internet

**Line of Succession:** The line of succession for Human Resources is:
1. Human Resources Director
2. Human Resources Manager

**Staffing Requirements:** Human Resources will contact employees and meet with the departments to assess staffing needs.

**Essential Records/Files:**

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of Record/File</th>
<th>Primary Location</th>
<th>Secondary Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources</td>
<td>List of all employees, fulltime and part-time, names addresses, phone numbers and email</td>
<td>Human Resources Office</td>
<td>Department lists retained by department heads, CEO and head of HR retain copy of</td>
</tr>
<tr>
<td></td>
<td>contact information</td>
<td></td>
<td>master lists</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Personnel files</td>
<td>Human Resources Office</td>
<td>No secondary location at this time, files are not scanned</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Vendor contact information for various HR related services and insurance programs</td>
<td>Human Resources Office</td>
<td>As of 12/28/09 not determined</td>
</tr>
</tbody>
</table>

**Primary Methods of Communicating During Emergency:** E-mail, Phones, Cell Phones

**Computer Support:**

<table>
<thead>
<tr>
<th>Computer Service</th>
<th>Purpose of computer Service</th>
<th>Backup Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 computers</td>
<td>To be used by HR staff</td>
<td>HR staff use own computers at home offices</td>
</tr>
<tr>
<td>Back up assistance from IT with computers as needed</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Essential Equipment:** Cell Phones, E-mail and access to Internet

**Location/Facility Needs:** Work space for 1 to 2 people, entire HR dept. can work offsite with appropriate connectivity and materials
Human Resources: Evacuation of Facility, Loss of Facility or Staff Unable to Report to Work

**Description:** In the event of loss of power, inability to utilize facility or report to work,

<table>
<thead>
<tr>
<th>Action</th>
<th>Person Responsible</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Staff are contacted</td>
<td>Human Resources Director</td>
<td></td>
</tr>
<tr>
<td>Program voicemails are changed to reflect situation and if appropriate give an alternate contact number</td>
<td>Human Resources Director</td>
<td></td>
</tr>
<tr>
<td>Information to employees</td>
<td>Human Resources Director/ work w/ Communications dept</td>
<td></td>
</tr>
</tbody>
</table>

Human Resources: Evacuation of Facility, Loss of Facility or Staff Unable to Report to work

**Description:** In the event of a loss of facility, with adequate time to evacuate, office supplies that will be needed at the relocation site.

Supplies Needed Include:
- Pens, Pencils, etc.
- Legal Pads
- Battery Powered Radio
- Staplers
- Staples
- Hole Punches
- 3 ring binders
- Post it notes
- Envelopes
- Letter Head
Communications

**Purpose:** Provide communications between State Bar and members/public as well as to employees.

**Priorities for Restoration:** In the event of service disruption, priorities for restoration are as follows:

1. Communication with staff
2. Communication with members
3. Arizona Attorney Magazine
4. Bill Tracking

**Line of Succession:** The line of succession for Communications is:

1. Chief Communications Officer
2. Public Relations Specialist

**Staffing Requirements:**

**Essential Records/Files:**

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of Record/File</th>
<th>Primary Location</th>
<th>Secondary Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising Sales</td>
<td>Sales records for AZ ATTY, Directory and Convention</td>
<td>SBA San Drive</td>
<td>IT Off site Server</td>
</tr>
<tr>
<td>Advertising Sales</td>
<td>Media Kits</td>
<td>SBA San Drive</td>
<td>Info Available online and IT Off site Server</td>
</tr>
<tr>
<td>Arizona Attorney</td>
<td>Editorial Files</td>
<td>SBA San Drive</td>
<td>Info Available online and IT Off site Server</td>
</tr>
<tr>
<td>Arizona Attorney</td>
<td>Magazine Graphic Files</td>
<td>Mac computers in Karen &amp; Michael’s office</td>
<td>As of 12/23/09 there is no backup</td>
</tr>
<tr>
<td>Board Rules Communications</td>
<td>Rule Petition Library</td>
<td>SBA Office</td>
<td>IT Off site Server</td>
</tr>
<tr>
<td>Legislative Actions</td>
<td>Historic files of legislative positions</td>
<td>SBA Office</td>
<td>Hard copies?</td>
</tr>
</tbody>
</table>

**Primary Methods of Communicating During Emergency:** E-mail, Phones, Cell Phones

**Computer Support:**

<table>
<thead>
<tr>
<th>Computer Service</th>
<th>Purpose of computer Service</th>
<th>Backup Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 IBM laptops</td>
<td>Communications, Advertising and AZ ATTY editorial</td>
<td>Home Computer</td>
</tr>
<tr>
<td>2 Mac computers</td>
<td>AZ ATTY production</td>
<td>Home Computers</td>
</tr>
</tbody>
</table>

**Essential Equipment:** Cell Phones, E-mail and access to Internet, also need Mac design programs (QRK, InDesign, PhotoShop)
Location/Facility Needs: Work space for minimum four people. The others can work off site if necessary.

Communications: Evacuation of Facility, Loss of Facility or Staff Unable to Report to Work

Description: In the event of loss of power, inability to utilize facility or report to work,

<table>
<thead>
<tr>
<th>Action</th>
<th>Person Responsible</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirm location and status of communications staff members</td>
<td>CCO</td>
<td></td>
</tr>
<tr>
<td>Determine which employees will work from home if necessary.</td>
<td>CCO</td>
<td></td>
</tr>
</tbody>
</table>

Communications: Evacuation of Facility, Loss of Facility or Staff Unable to Report to Work

Description: In the event of a loss of facility, with adequate time to evacuate, office supplies that will be needed at the relocation site.

Supplies Needed Include:
- Pens, Pencils, etc.
- Legal Pads
- Battery Powered Radio
- Staplers
- Staples
- Hole Punches
- 3 ring binders
- Post it notes
- Envelopes
- Letter Head
**Diversity**

**Purpose:**

**Priorities for Restoration:** In the event of service disruption, priorities for restoration are as follows:

1) Phones – For communicating with staff, BLI participants and faculty, diversity pipeline partners, and other stakeholders
2) Internet - For communicating with staff, BLI participants and faculty, diversity pipeline partners, and others

**Line of Succession:** The line of succession for Diversity is:

1. Diversity Director
2. Diversity Assistant

**Staffing Requirements:** Director will assess and determine how to keep the department functioning

**Essential Records/Files:**

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of Record/File</th>
<th>Primary Location</th>
<th>Secondary Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordination of Diversity programs and initiatives</td>
<td>List of BLI participants, contacts database, training curricula, sponsorship records</td>
<td>Dell (laptop) computers</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Some physical files in the office</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Primary Methods of Communicating During Emergency:** E-mail, Phones, Cell Phones

**Computer Support:**

<table>
<thead>
<tr>
<th>Computer Service</th>
<th>Purpose of computer Service</th>
<th>Backup Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Computers</td>
<td>To be utilized by staff</td>
<td>Staff can use personal (own) computers at home</td>
</tr>
</tbody>
</table>

**Essential Equipment:** Cell Phones, E-mail and access to Internet

**Location/Facility Needs:** Work space for 1 or 2. Staff can work off-side at home provided there is internet connectivity
Diversity: Evacuation of Facility, Loss of Facility or Staff Unable to Report to Work

**Description:** In the event of loss of power, inability to utilize facility or report to work,

<table>
<thead>
<tr>
<th>Action</th>
<th>Person Responsible</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirm location and status of staff</td>
<td>Diversity Director</td>
<td></td>
</tr>
<tr>
<td>Confirm Director and Assistant can work at home if necessary</td>
<td>Diversity Director</td>
<td></td>
</tr>
<tr>
<td>Information to staff</td>
<td>Diversity Director</td>
<td></td>
</tr>
<tr>
<td>Change voicemail messages to provide other contact information</td>
<td>Diversity Director and Diversity Assistant</td>
<td></td>
</tr>
</tbody>
</table>

Diversity: Evacuation of Facility, Loss of Facility or Staff Unable to Report to Work

**Description:** In the event of a loss of facility, with adequate time to evacuate, office supplies that will be needed at the relocation site.

Supplies Needed Include:
- Pens, Pencils, etc.
- Legal Pads
- Battery Powered Radio
- Staplers
- Staples
- Hole Punches
- 3 ring binders
- Post it notes
- Envelopes
- Letter Head
**Information Technology**

**Purpose:**

**Priorities for Restoration:** In the event of service disruption, priorities for restoration are as follows:

1) Phones
2) Network Infrastructure (SAN and VM Hosts)
3) Servers and all associated applications  
   a. Email  
   b. Fileserver  
   c. Membership DB  
   d. Printing Systems  
   e. Accounting Systems
4) Endpoints if necessary

**Succession Plan for Interest Areas**

This section breaks-down each of the interest areas IT has, areas such as desktop computers and websites. These lists provide a succession list for each type of problem that may occur. The succession list provides a first, second, third contact and in some cases, a forth for each area, in the case that the proceeding contact is not available.

**Desktop/Laptop Computers & Printers & Copiers**

For problems with a printer, copier, or desktop/laptop computer, use this succession list:

1. George Schader
2. Sat Patel
3. Rob Hosch

**Network**

For problems with a slow, unresponsive or unusable network, use this succession list:

1. George Schader
2. Sat Patel
3. Rob Hosch
4. BVA (Consultant)

**Website**

For problems with any SBA owned website (e.g. AZBar.org, MyAZBar.org, Bar Central), use this succession list:

1. Connie DeCinko
2. Ray Ragan
3. Sat Patel
4. Ashday (Consultant)
**Database**
For problems with databases, to include the Membership database, use this succession list:
1. Tom Simes
2. Rob Hosch
3. Ray Ragan

**Office Phones**
For problems with desk or office phones and fax lines, use this succession list:
1. Betty Flores
2. Rob Hosch
3. George Schader

**Mobile Devices**
For problems with mobile devices, such as phones, Air Cards, etc., use this succession list:
1. Rob Hosch
2. George Schader
3. Sat Patel

**All Other Categories**
For any category not previously listed, or for any problem that may not be clear, use this succession list:
1. Rob Hosch
2. George Schader
3. Ray Ragan

**Primary Methods of Communicating During Emergency:** E-mail, Phones, Cell Phones

**Essential Equipment:** Cell Phones, E-mail and access to Internet

**Location/Facility Needs:** A secure location with appropriate cooling capacity to maintain environmental control, appropriate electrical capacity and protection and high-speed internet access.

**Information Technology: Evacuation of Facility, Loss of Facility or Staff Unable to Report to Work**

**Description:** In the event of loss of power, inability to utilize facility or report to work, Information Technology will continue to function as soon as they are able to report to the relocation site.

<table>
<thead>
<tr>
<th>Action</th>
<th>Person Responsible</th>
<th>Done</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determine fitness for use of existing equipment.</td>
<td>IT Director</td>
<td></td>
</tr>
</tbody>
</table>
Determine fitness for use of relocation site.  
If possible, remove, relocate and restore existing equipment at relocation site.
If existing equipment is not available, determine availability and procure new equipment.  Including step above.
Determine best option for phone services and implement service.
Ensure continued operation of services at relocation site.
At time that a permanent location is available, remove, relocate and restore equipment at site.

<table>
<thead>
<tr>
<th>Determination</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determine fitness for use of relocation site.</td>
<td>IT Director</td>
</tr>
<tr>
<td>If possible, remove, relocate and restore existing equipment at relocation site.</td>
<td>IT Director</td>
</tr>
<tr>
<td>If existing equipment is not available, determine availability and procure new equipment. Including step above.</td>
<td>IT Director</td>
</tr>
<tr>
<td>Determine best option for phone services and implement service.</td>
<td>IT Director</td>
</tr>
<tr>
<td>Ensure continued operation of services at relocation site.</td>
<td>IT Director</td>
</tr>
<tr>
<td>At time that a permanent location is available, remove, relocate and restore equipment at site.</td>
<td>IT Director</td>
</tr>
</tbody>
</table>

**PLAN MAINTENANCE**

Responsibilities for Maintenance of the Continuity of Operations plan include the following:

**Chief Financial Officer:**
- Responsible for maintaining the COOP.
- Responsible for identifying/recommending modifications to the COOP as part of the evaluation of normally scheduled emergency response exercises/drills.
- Responsible for developing & implementing annual training plan/schedule that involves all levels of the organization.
- Responsible for conducting annual evacuation drills.
- Responsible for distributing emergency preparedness information to staff via bulletin board postings, mailings, and/or monthly employee meetings.

**Human Resources Director:**
- Responsible for updating job descriptions to include COOP responsibilities.
- Responsible for creating/distributing plan updates related to employee turnover, such as: name changes, contact information changes.

**Senior Management Team:**
- Responsible for ensuring their department’s employees are familiar with the Continuity of Operations Plan and have the knowledge and skills necessary to assist in resuming business operations after an emergency event.
- Responsible for departmental participation in annual training activities.
- Responsible for departmental participation in annual evaluation of plan.

**REVIEW OF THE PLAN**

**Departmental Review:** The COOP plan is distributed to members of the Senior Management Team. Revisions will be made annually as needed.

**Tabletop Review:** Chief Financial Officer will design and conduct a tabletop exercise with management and personnel. In a conference room setting, an emergency scenario will be
described and participants will discuss their responsibilities and how they would react to the situation.
APPROVAL AND DISTRIBUTION

**Initial Approval:** The process for initial approval of the Continuity of Operations Plan will be as follows:

- Chief Financial Officer will work with the Senior Management team for review and plan modifications.
- CEO/Executive Director will review the plan and provide final approval for the organization.

**Approval of Changes:** The process for approval of changes to the Continuity of Operations Plan will be as follows:

- No approval will be required for ongoing changes to update or correct information, such as contact information that change with personnel turnover.
- The CEO/Executive Director will be responsible for approving substantive changes made to the plan.

**Distribution:** The Continuity of Operations Plan will be maintained by the Chief Financial Officer and the current copy will be shared with Senior Management via e-mail. It is the responsibility of each member of the Senior Management Team to share the plan within their respective departments.

TRAINING

The object of training activities is to ensure that employees have the knowledge and tools they need to help the organization recover from a significant business interruption. In addition, the training program directly feeds into the annual review and evaluation process so that lessons learned during training exercises are used in modifying the plan.

Training will consist of the following activities:

- **All Staff Meetings** – major updates to the plan will be reviewed with staff at one of these regular meetings.
- **New Employee Orientation** – New employees will receive a copy of the COOP from the Human Resources Director.
- **Annual Tabletop Exercise** – Will be coordinated on an annual basis by the Chief Financial Officer. If the COOP is activated that can be substituted for the annual exercise.
- **Evacuation Drills** – Coordinated by the Safety and Security Team - personnel will walk the evacuation route to a designated area where procedures for accounting for all personnel are tested. Participants will be asked to make notes as they go along of what might become a hazard during an emergency.

Training may also include the following types of activities as appropriate:

- **Walk-through Drill** – The Safety and Security Team will actually perform their emergency response functions. This activity generally involves more people and is more thorough than a tabletop exercise.
- **Functional Drills** – These drills will test specific functions such as medical response, emergency notifications, warning and communications procedures and equipment, though
not necessarily at the same time. Personnel will be asked to evaluate the systems and identify problem area.
- **Full-scale exercise** – A real-life emergency will be simulated as closely as possible. This exercise involves employees, management and community response organizations.

** Annexes 

**Annex I – Lines of Succession Contact Information**

**Overall Chapter Management Line of Succession**

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Office</th>
<th>Cell</th>
<th>Other/Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Phelps</td>
<td>CEO/Executive Director</td>
<td>200</td>
<td>602.570.5894</td>
<td>602.437.1847</td>
</tr>
<tr>
<td>John Furlong</td>
<td>General Counsel/Deputy Executive Director</td>
<td>301</td>
<td>602.793.4921</td>
<td>602.867.0174</td>
</tr>
<tr>
<td>Maret Vessella</td>
<td>Chief Bar Counsel</td>
<td>240</td>
<td>602.421.0745</td>
<td>602.258.7202</td>
</tr>
<tr>
<td>Lisa Deane</td>
<td>Member Services Director</td>
<td>316</td>
<td>602.421.5088</td>
<td>623.362.9798</td>
</tr>
<tr>
<td>Tom Johnson</td>
<td>Chief Financial Officer</td>
<td>392</td>
<td>602.663.3455</td>
<td>602.663.3455</td>
</tr>
<tr>
<td>Patty Berg</td>
<td>Human Resources Director</td>
<td>373</td>
<td>602.531.7229</td>
<td>602.992.1801</td>
</tr>
<tr>
<td>Rick DeBruhl</td>
<td>Chief Communications Officer</td>
<td>335</td>
<td>602.513.6385</td>
<td>602.547.8500</td>
</tr>
<tr>
<td>Carrie Sherman</td>
<td>Director of Board Operations</td>
<td>201</td>
<td>970.274.3935</td>
<td>602.246.4076</td>
</tr>
<tr>
<td>I. Godwin Otu</td>
<td>Diversity Director</td>
<td>389</td>
<td>602.370.0728</td>
<td>602.253.9531</td>
</tr>
</tbody>
</table>

**Legal Services Line of Succession**

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Office</th>
<th>Cell</th>
<th>Other/Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Furlong</td>
<td>General Counsel/Deputy Executive Director</td>
<td>301</td>
<td>602.793.4921</td>
<td>602.867.0174</td>
</tr>
<tr>
<td>Patricia Sallen</td>
<td>Ethics Counsel</td>
<td>263</td>
<td>602.361.6602</td>
<td>602.956.1655</td>
</tr>
</tbody>
</table>

**Lawyer Regulation Line of Succession**

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Office</th>
<th>Cell</th>
<th>Other/Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maret Vessella</td>
<td>Chief Bar Counsel</td>
<td>240</td>
<td>602.421.0745</td>
<td>602.258.7202</td>
</tr>
<tr>
<td>Amy Rehm</td>
<td>Deputy Bar Counsel</td>
<td>348</td>
<td>480.212.2916</td>
<td>480.491.5816</td>
</tr>
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</table>

**Member Services Line of Succession**

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Office</th>
<th>Cell</th>
<th>Other/Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lisa Deane</td>
<td>Member Services Director</td>
<td>316</td>
<td>602.421.5088</td>
<td>623.362.9798</td>
</tr>
<tr>
<td>Bonnie Lebeck</td>
<td>Senior CLE Coordinator</td>
<td>317</td>
<td>602.421.5088</td>
<td>480.944.1874</td>
</tr>
<tr>
<td>Betty Flores</td>
<td>Resource &amp; Sections Director</td>
<td>215</td>
<td>602.293.7395</td>
<td>480.961.7735</td>
</tr>
</tbody>
</table>
### Finance & Building Operations Line of Succession

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Office</th>
<th>Cell</th>
<th>Other/Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tom Johnson</td>
<td>Chief Financial Officer</td>
<td>392</td>
<td>602.663.3455</td>
<td>602.663.3455</td>
</tr>
<tr>
<td>Christine Oxford</td>
<td>Controller</td>
<td>218</td>
<td>602.708.2024</td>
<td>602.795.0084</td>
</tr>
<tr>
<td>Synda Prindle</td>
<td>Office Administrator</td>
<td>206</td>
<td>602.293.7396</td>
<td>602.265.0012</td>
</tr>
</tbody>
</table>

### Human Resources Line of Succession

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Office</th>
<th>Cell</th>
<th>Other/Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patty Berg</td>
<td>Human Resources Director</td>
<td>373</td>
<td>602.531.7229</td>
<td>602.992.1801</td>
</tr>
<tr>
<td>Shanita Patterson</td>
<td>Human Resources Manager</td>
<td>204</td>
<td>602.740.1759</td>
<td>480.706.0407</td>
</tr>
</tbody>
</table>

### Communications Line of Succession

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Office</th>
<th>Cell</th>
<th>Other/Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rick DeBruhl</td>
<td>Chief Communications Officer</td>
<td>335</td>
<td>602.513.6385</td>
<td>602.547.8500</td>
</tr>
<tr>
<td>Pat Giallanza</td>
<td>Communications Specialist</td>
<td>226</td>
<td>602.796.1714</td>
<td>480.699.9679</td>
</tr>
</tbody>
</table>

### Board Operations Line of Succession

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Office</th>
<th>Cell</th>
<th>Other/Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrie Sherman</td>
<td>Director of Board Operations</td>
<td>201</td>
<td>970.274.3935</td>
<td>602.246.4076</td>
</tr>
<tr>
<td>Nina Benham</td>
<td>Board and Member Services Specialist</td>
<td>329</td>
<td>602.708.1617</td>
<td>602.708.1617</td>
</tr>
</tbody>
</table>

### Diversity Line of Succession

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Office</th>
<th>Cell</th>
<th>Other/Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Godwin Otu</td>
<td>Diversity Director</td>
<td>389</td>
<td>602.370.0728</td>
<td>602.253.9531</td>
</tr>
<tr>
<td>Rosie Figueroa</td>
<td>Diversity Assistant</td>
<td>393</td>
<td>623.760.2094</td>
<td></td>
</tr>
</tbody>
</table>

### Information Technology of Succession

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Office</th>
<th>Cell</th>
<th>Other/Home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rob Hosch</td>
<td>IT Director</td>
<td>228</td>
<td>602.989.1151</td>
<td>623.878.7654</td>
</tr>
<tr>
<td>Tom Johnson</td>
<td>Chief Financial Officer</td>
<td>392</td>
<td>602.663.3455</td>
<td>602.663.3455</td>
</tr>
</tbody>
</table>

### Annex II – Location Specific Issues

This Annex is TBD. However, it will address COOP specific issues for the Bar office outside of Maricopa County.
Annex III – Systems & Resources

This table is meant to describe the resources needed for a long-term move of the Bar operations.

<table>
<thead>
<tr>
<th>Administration</th>
<th># of Staff</th>
<th>Current Systems and Equipment In Place</th>
<th>Current Needs (Computers, phones, work force, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
<td>Cell phones and laptops are assigned Terminal services access for working off site</td>
<td>Office space (desk/phone/computer/internet, copier, scanner, printer &amp; office supplies) P/Drive and G/Drive access Copier/printer/scanner</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legal Services</th>
<th># of Staff</th>
<th>Current Systems and Equipment In Place</th>
<th>Current Needs (Computers, phones, work force, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13</td>
<td>Phones for hotlines and internal communication, computer access—remote access</td>
<td>Office space, file storage, phone/computer/internet, printers, office supplies, a shared copier and 25 drawers of file cabinets.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lawyer Regulation</th>
<th># of Staff</th>
<th>Current Systems and Equipment In Place</th>
<th>Current Needs (Computers, phones, work force, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>38</td>
<td>Remote access is authorized and available but not all employees have home computers</td>
<td>Office space (desk/phone/computer/internet); copier, scanner, printer and office supplies; P/Drive and G/Drive access; internet access; Phones</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Member Services</th>
<th># of Staff</th>
<th>Current Systems and Equipment In Place</th>
<th>Current Needs (Computers, phones, work force, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24</td>
<td>Remote access is authorized for some and available but not all employees have home computers</td>
<td>Office space (desk/phone/computer/internet); copier, scanner, printer and office supplies; P/Drive and G/Drive access; Microsoft Office; internet access; Phones</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Finance &amp; Building Operations</th>
<th># of Staff</th>
<th>Current Systems and Equipment In Place</th>
<th>Current Needs (Computers, phones, work force, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
<td>Remote access is authorized and available but not all employees have home computers</td>
<td>Office space (desk/phone/computer/internet); copier, scanner, printer and office supplies; P/G/X/Drives access; internet access; Phones</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Human Resources</th>
<th># of Staff</th>
<th>Current Systems and Equipment In Place</th>
<th>Current Needs (Computers, phones, work force, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
<td>Cell phones, one laptop, will need terminal service for</td>
<td>Office space with desk, phone, computer w/internet access, office supplies, access to P and G drives, access to a copier/printer and scanner,</td>
</tr>
<tr>
<td># of Staff</td>
<td>Current Systems and Equipment In Place</td>
<td>Current Needs (Computers, phones, work force, etc.)</td>
<td></td>
</tr>
<tr>
<td>-----------</td>
<td>----------------------------------------</td>
<td>---------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Cell phones 3 PC laptops</td>
<td>Office space (desk/phone/computer/internet, copier, scanner, printer &amp; office supplies) P/Drive and G/Drive access -2 PCs and 2 Macs</td>
<td></td>
</tr>
<tr>
<td><strong>Board Operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Cell phones and laptops are assigned Terminal services access for working off site</td>
<td>Office space (desk/phone/computer/internet, copier, scanner, printer &amp; office supplies) P/Drive and G/Drive access Copier/printer/scanner (Director of Board Operations and Board and Member Services Specialist)</td>
<td></td>
</tr>
<tr>
<td><strong>Diversity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Cell phone and laptop computer. Remote access authorized for staff</td>
<td>Office space for two staff members; desk; phone; computer; internet, copier, scanner, printer &amp; office supplies P/Drive and G/Drive access. Copier and printer for staff</td>
<td></td>
</tr>
<tr>
<td><strong>Information Technology</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Cell phones and laptops are assigned Terminal services access for working off site</td>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>
Annex IV – Pandemic Influenza

PURPOSE

The purpose of this annex is to provide guidance and continuity to the State Bar of Arizona personnel during a pandemic influenza.

TRIGGERS

The Bar’s CEO/Executive Director is responsible for both activating and terminating the Bar’s pandemic influenza plan. Triggers they will consider include:

- Governor’s declaration of a State of Emergency due to pandemic influenza
- Government declaration of a Public Health State of Emergency
- World Health Organization raising the Influenza Pandemic Alert to level 6
- Guidance from a county public health agency within our jurisdiction suggesting activation

The procedures for activating the plan will mirror that of the Bars’ COOP and the same notifications will need to take place.

EMPLOYEES AND MEMBERS

Infection control measures are critically important for the protection of personnel. There are two basic categories of intervention: (1) transmission interventions, such as the use of facemasks and careful attention to cough etiquette and hand hygiene, which might reduce the likelihood that contacts with other people lead to disease transmission; and (2) contact interventions, such as substituting teleconferences for face-to-face meetings, the use of other social distancing techniques, and the implementation of liberal leave policies for persons with sick family members, all of which eliminate or reduce the likelihood of contact with infected individuals.

Each department officer, director, or manager will take the following actions:

- Identify essential employees required to maintain business operations.
  - Have essential employees work shifts or if possible have them telecommute.
- Guidelines to modify the frequency and type of face-to-face contact to prevent influenza spread.
  - Have all employees who have personal computers and can complete essential tasks from home telecommute.
  - Have employees work shifts.
  - Identify ahead of time who has the capability to telecommute and which essential employees should be able to telecommute.
  - Once a month, each telecommuter should do a “dry run” to make sure they can connect to the office from home and access appropriate drives, files, etc.
  - Identify staff with laptop capability.
- If an employee has young children, and the schools or daycare is closed.
  - Set the employee up with a flex work schedule or telecommute.

*The final decision on what employees/position would be able to telecommute is up to each department head.

The Office Administrator will ensure that:
- boxes of tissue are available to all staff
• disinfectant wipes are available to all staff
• that hand sanitizer dispensers are available and stocked throughout the building

Each member and employee is responsible for their own hygiene etiquette. This includes:

✓ Cover your nose and mouth when coughing or sneezing, using a tissue when possible.
✓ Disposing of dirty tissues promptly and carefully – bag and bin them.
✓ Avoid non-essential travel and large crowds whenever possible.
✓ Washing your hands frequently with soap and water to reduce the spread of the virus from your hands to your face, or to other people.
✓ Wiping down shared workspaces at the beginning and end of shifts.

ACTIONS TO BE TAKEN UPON PLAN ACTIVATION

CEO/Executive Director is responsible for the implementation of:
• Actions recommended by the Centers for Disease Control (CDC).
• Sick leave use
  ✓ Any member or employee that has been exposed to pandemic influenza are encouraged to stay at home, rest, and follow their doctor’s instructions until they are out of the danger of spreading the virus.
  ✓ Implement “Stay Home Days” (same as “Snow Days”) on a day to day basis, with final decisions on duration based on an epidemiologic and social assessment of the situation.
  ✓ All employees are required to report their absence to their direct supervisor each day during a pandemic influenza.
  ✓ Leave Report form will be filled out and turned in as per normal procedures.
  ✓ If an employee is not well enough to report to work, they cannot telecommute in lieu of taking a sick day.
• Flexible worksite and flexible work hours
  ✓ Implement a flex shift schedule.
• Supporting family members
  ✓ It is understood that employees may need to stay home to care for ill family members and/or take care of children when schools are closed. Employees in this situation need to work closely with their supervisors regarding their absences. In these absences, employees leave times will be deducted from their sick and/or vacation banks as per normal procedures.
  ✓ If schools are closed, employees cannot bring children to work.
  ✓ If employees need to stay home to care for family members, then they will need to take leave as per normal procedures.
• Continuing payroll
  ✓ Payroll can be completed remotely from anywhere with internet access. In the event of the building being completely inaccessible, the CFO will be responsible for ensuring payroll is completed.
  ✓ Manager with remote access will complete their employees’ time on the TLO system and approve the hours. If the manager does not have remote access or the SBA’s computers are not operating, the managers will email the payroll manager the number of hours and approve all the employees in the department.
  ✓ Payroll will be process bi-weekly according to the payroll schedule. If you are an employee that is issued a live check, the check will be mailed to the address on file.
COMMUNICATION TO EMPLOYEES AND MEMBERS

Communications will work to ensure clear, effective and coordinated communication, before and during a pandemic. This includes identifying credible PIO’s to effectively coordinate and communicate helpful, informative messages in a timely manner, on behalf of the State Bar of Arizona.

- Communication plan to provide up-to-date, reliable pandemic information from community public health, emergency management and other sources.
  - Day-to-day pandemic influenza updates
  - Website
- Develop platforms for communicating pandemic status and actions to employees, members, vendors, etc. inside and outside the worksite.
- Ensure that communications are culturally and linguistically appropriate.

SERVICE DELIVERY CONSIDERATIONS

CLE Classes

Triggers/Procedures for canceling classes:
The Member Services Director will cancel CLE classes in consultation with the Bar CEO/ED when:

- Appropriate local government agencies mandates closure of public/business meetings.
- The Bar is mandated to close its facility by proclamation from the CEO/Executive Director because of excessive staff illness and/or the inability to provide basic services.

Procedures for members showing up with influenza like illness (ILI) symptoms:

- Members will be informed at the time of registration (over the phone, in-person or on the website) that they should not come to class if on the day of the class, they are currently experiencing or experienced the previous day a temperature, coughing or other flu like symptoms. Members who call in sick will be transferred to the next available class following their recovery without a charge.
## Annex V – Off-Site/Telecommuting Capabilities

### Administration/Board Operations

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>1-3 Days?</th>
<th>Longer?</th>
<th>Alt. Shift</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Phelps</td>
<td>CEO/Executive Director</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Ann Leslie</td>
<td>Executive Assistant</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Needs periodic access to office</td>
</tr>
<tr>
<td>Carrie Sherman</td>
<td>Director of Board Operations</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Nina Benham</td>
<td>Board and Member Services Specialist</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Needs periodic access to office</td>
</tr>
</tbody>
</table>

### Legal Services Department

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>1-3 Days?</th>
<th>Longer?</th>
<th>Alt. Shift</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>John A Furlong</td>
<td>General Counsel/Deputy E.D.</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Some departments such as Fee Arbitration., CPF, General Counsel and Conservatorships will need periodic access to office</td>
</tr>
</tbody>
</table>

Note: all staff in Legal services have off-site TC capabilities

### Lawyer Regulation Department

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>1-3 Days?</th>
<th>Longer?</th>
<th>Alt. Shift</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maret Vessella</td>
<td>Chief Bar Counsel</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Will need periodic access to office</td>
</tr>
<tr>
<td>Amy Rehm</td>
<td>Deputy Chief Bar Counsel</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Will need periodic access to office</td>
</tr>
<tr>
<td><em>Staff</em></td>
<td>Bar counsel/paralegals</td>
<td></td>
<td></td>
<td></td>
<td>Most staff members have remote access. Going forward all bar counsel should be set up for remote access outside of a need for implementation of COOP</td>
</tr>
</tbody>
</table>

### Member Services Department

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>1-3 Days?</th>
<th>Longer?</th>
<th>Alt. Shift</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lisa Deane</td>
<td>Member Services Director</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>All departments would need periodic access to the building depending particularly on the time of year.</td>
</tr>
</tbody>
</table>
Some staff members have remote access. Going forward all should be set up for remote access outside of a need for implementation of COOP.

Bonnie Lebeck  Senior CLE Program Coordinator  Y Y Y  Will need periodic access to office
Betty Flores  Resource & Section Director  Y Y Y  Will need periodic access to office

<table>
<thead>
<tr>
<th>Finance &amp; Building Operations Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
</tr>
<tr>
<td>Tom Johnson</td>
</tr>
<tr>
<td>Christine Oxford</td>
</tr>
<tr>
<td>Synda Prindle</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Human Resources Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
</tr>
<tr>
<td>Patty Berg</td>
</tr>
<tr>
<td>Shanita Patterson</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Communications Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
</tr>
<tr>
<td>Rick DeBruhl</td>
</tr>
<tr>
<td>Pat Giallanza</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diversity Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
</tr>
<tr>
<td>I. Godwin Otu</td>
</tr>
<tr>
<td>Rosie Figueroa</td>
</tr>
<tr>
<td>Name</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Rob Hosch</td>
</tr>
</tbody>
</table>

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DISCLOSURE OF INFORMATION FROM BAR APPLICATION FORMS AND MEMBERSHIP RECORDS

The following member information may be released: name, public address, telephone number, fax number, and law firm or company. However, a member may submit a written request to keep any, or all, of the information above confidential.

Additionally, the following information may also be released: Arizona admit date, year of first admission, other jurisdictions, languages, areas of practice (as voluntarily submitted by member), law school, legal specialization, classification, and any public disciplinary action as recorded on the membership database movement screen.

June 2010: Staff update to conform with current rules/policies/procedures.
RESOLUTION

RESOLVED that the State Bar of Arizona is committed to promoting the inclusion of all its members in State Bar programs, committees, and activities, and to assuring the rights of all members within the organization without discrimination based on race, ethnicity, religion, disability, gender, sexual orientation, gender identity and expression or, geography.

FURTHER RESOLVED that the Board of Governors will periodically monitor all existing programs, committees and activities for compliance with the goal of diversity and with assurance of the rights of all persons in every aspect of the Bar.

Adopted by the Board of Governors of the State Bar of Arizona on March 20, 1992.

DUES REFUND OF DECEASED MEMBERS

There are no refunds to the estates of deceased attorneys of annual membership dues.
ANNUAL FEE/SUSPENSION/REINSTATEMENT PROCEDURES

1. ANNUAL FEE STATEMENTS – Any programming or layout changes on the annual fees statement are made in July/August. If required, the fees statement shall be submitted to the Finance Committee and/or the Board of Governors in September.

Annual Fee Statements are mailed the first week of November. Statements are mailed via first class postage and individually addressed to the member’s last address of record.

Pursuant to Ariz.R.Sup.Ct. Rule 32 (c) 10, fees not paid on or before February 1 are subject to a delinquency fee as established by the Board of Governors of the State Bar with the consent of the Arizona Supreme Court and shall be paid in addition to the annual membership fee.

2. WRITTEN NOTICE OF DELINQUENCY – A delinquency notice is mailed as soon as possible after February 1, to all members that are not in full compliance, notifying them that they are subject to summary suspension pursuant to Ariz.R.Sup.Ct Rule 62 (a) 2. This notice shall be sent via first class postage and individually addressed to the member’s last address of record.

If a member fails to pay the required membership fee, including delinquency fee(s), within two months of written notice of delinquency, the member shall be summarily suspended from membership pursuant to Ariz.R.Sup.Ct Rule 62(a).

3. REQUEST FOR SUMMARY SUSPENSION - The State Bar shall provide a request for summary suspension with the Board stating the grounds for and referring to the rule authorizing such order, pursuant to Ariz.R.Sup.Ct Rule 62(a). A copy of the request shall be mailed to all members that are not in compliance via certified mail, return receipt, and individually addressed to the member’s last address of record.

Upon satisfaction that the State Bar has shown a prima facie case under the rule referred to, the Board shall enter an order of summary suspension which the State Bar shall mail to respondent within ten days of entry of the order unless within ten days of service of the request upon the lawyer files with the Board a verified response showing good cause why he or she should not be so suspended.

4. REINSTATEMENT AFTER SUMMARY SUSPENSION BY THE BOARD OF GOVERNORS – Ariz.R.Sup.Ct Rule 64(f), shall be followed for reinstatement procedures.

On July 28, 1995, the Board of Governors voted unanimously to direct that the reinstatement of members following suspension be handled as an internal administrative matter under the direction of General Counsel and the Executive Director.
MEMBERSHIP SERVICES POLICY

From time to time, the State Bar of Arizona may provide access to certain economic benefit programs designed to provide a savings or other such benefit to Bar members. Through these programs, certain products or services may be offered to members at a discount. However, providing such access implies no Bar endorsement or warranty of the quality of such products or services over similar products or services offered by others.

Approved by the Board of Governors – October 28, 1988
MEMORIAL RESOLUTIONS

The names of recently deceased State Bar members appear under the “information Items” sections in the Board of Governors’ meeting materials each month. Memorial resolutions can be acted upon by staff following a normal review of suitability without Board consent.

Adopted by the Board of Governors – January 19, 1990
PAYMENT OF ATTORNEY’S FEES

It is the policy of the Board that no lawyer be retained by the Bar nor any payment of legal fees be made without the prior approval of the Scope and Operations Committee.

(Superceded by Procurement Policy of 1/15/04)
Prorating Membership Dues

It is the Board of Governors’ policy not to prorate membership dues to any member who returns to active membership status any time during the year. Those members are assessed the full annual rate. This does not, however, include members newly admitted after June 30. Members admitted after June 30 are assessed half-year dues.

It is the Board of Governors’ policy not to prorate membership dues, for a refund, to any member who returns to inactive, retired or Judicial membership status any time during the year.
SPEAKER COMMUNICATIONS POLICY

It is the policy of the State Bar of Arizona that any speaker at a committee, section, task force of Board meeting who is speaking on behalf of a client or clients disclose that fact and identify the client or clients. A speaker who is employed on a W-2 basis by an entity need only identify his or her employer. The disclosure will be made part of the record for that meeting.

Adopted by the Board of Governors 10/23/09.
STATE BAR OF ARIZONA
LICENSE AGREEMENT

This license agreement ("Agreement") is entered into by the State Bar of Arizona ("SBA") with offices at 4201 N. 24th St. #200, Phoenix, Arizona 85016-6288 and XXXXXXXXXX ("Licensee") with offices at XXX XXXXXX St. #XXXX; City, State, Zip Code. SBA and Licensee hereby enter into this Agreement whereby SBA provides the Licensee with SBA Mailing Labels and/or Electronic Lists ("Membership Information") under the following terms and conditions:

1. SBA hereby grants to Licensee the right to use one copy of the Membership Information (for a limited, one-time use only) to mail [an invitation to attend] the [Name of CLE Seminar] in [City, State] on [Dates]. Licensee expressly understands and agrees that the names and addresses provided may not be added to Licensee’s database, membership lists or any other written or electronic tabulations of any kind.

2. Use of the Membership Information for marketing or solicitation purposes shall be limited to one mail contact only and shall not be used for telephone or personal contact. Telephone or personal contact is permitted when Licensee is responding to an inquiry as a result of a mailing.

3. Licensee shall pay SBA a licensing fee of $XXXX (XXXX records in an electronic format). The licensing fee paid by Licensee to SBA is solely for the use of SBA and does not include sale, use, excise or other taxes. In addition to this fee, Licensee agrees to pay the amount of any present or future tax applicable to the licensing by the SBA or, in lieu thereof, to provide SBA with a tax-exemption certificate acceptable to the taxing authorities.

4. Licensee understands and agrees that use of the Membership Information is subject to the terms and conditions set forth herein and/or those rules, opinions, regulations and statutes governing the SBA and its membership. For example, the Membership Information shall not be used in any manner that would be unlawful, considered to be misleading, misinformation, deceptive, or would violate the Arizona Rules of Professional Conduct, Ariz. R. Sup. Ct. 42.

5. Licensee shall, at all times, be responsible for the use of the Membership Information provided under this Agreement, and shall not permit any additional uses of the Membership Information by Licensee or any other person, association, organization, or company without prior written permission by SBA. "Additional Use” shall mean any use of the Membership Information not expressly permitted in Section 1 above.

6. Licensee may request a separate license for Additional Uses by sending SBA a written request for each Additional Use prior to engaging in the Additional Use. The written request shall include a statement setting forth the intended purpose and manner of the Additional Use. SBA shall respond, in writing, to Licensee's request for a license for the Additional Use within 30 days of receipt of the request, either granting or denying permission for the requested Additional Use. SBA retains the exclusive right to approve or disapprove the Additional Uses of the Membership Information by its Licensees, and no additional license is guaranteed.

7. Licensee understands and agrees that SBA holds all rights in the Membership Information, including, but not limited to, common law and statutory rights such as copyrights in the compilation and organization of data contained in the Membership Information; and SBA reserves all rights, including, but not limited to, reproduction, distribution and derivation of the Membership Information, and all other rights as further provided by the Copyright Act, 17 U.S.C. §§ 101 et seq. Licensee understands and agrees that the rights in the Membership Information are not assigned or leased as a result of this Agreement, but are reserved and retained by SBA, subject to the limited use permitted under this Agreement. Licensee shall not loan, rent, lease or transmit in any form or by any means, such as electronic, mechanical photocopy or recording, the Membership Information, in whole or in part, without prior written permission of SBA. Furthermore, Licensee shall not copy, store in a retrieval system or otherwise reproduce the Membership Information without prior written permission of SBA.

8. The Membership Information provided under this Agreement shall be used by Licensee only and for the limited purpose permitted under this Agreement. Licensee shall hold harmless and indemnify SBA for any and all damages or claims that may result from this Agreement or other Additional Use by Licensee of the Membership Information.

Revised: 3/31/09
9. Licensee agrees to furnish to SBA, within 10 days following receipt, any letters or other documents (or copies thereof) containing complaints by SBA members regarding Licensee's use of the Membership Information, the material contained therein, or the offered product or service.

10. SBA will make every effort to meet scheduled deliveries or mailing dates but is not liable for any failure to meet requested or scheduled dates.

11. Any Additional Use not permitted herein, or separately licensed, shall constitute a material breach of this Agreement. In the event of a material breach of this Agreement, Licensee shall be liable to SBA for three times the licensing fee that was originally assessed for the limited one-time usage of each and every Additional Use or unauthorized use, as well as all incidental and consequential damages, including, but not limited to, reasonable attorneys’ fees, court costs, and expenses, including expenses incurred in investigation and loss of income. Furthermore, a material breach of this Agreement shall allow SBA to terminate this Agreement immediately.

12. The express representations set forth in this Agreement are in lieu of, and SBA DISCLAIMS, ANY AND ALL OTHER WARRANTIES, CONDITIONS, OR REPRESENTATIONS (EXPRESS OR IMPLIED, ORAL OR WRITTEN), WITH RESPECT TO THE MEMBERSHIP INFORMATION OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NONINFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PURPOSE (WHETHER OR NOT SBA KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. IN ADDITION, SBA EXPRESSLY DISCLAIMS ANY WARRANTY OR REPRESENTATION TO ANY PERSON OTHER THAN LICENSEE WITH RESPECT TO THE MEMBERSHIP INFORMATION OR ANY PART THEREOF.

13. Licensee may not assign any right under this Agreement, and any purported assignment shall be null and void and a breach of this Agreement, except for the following or as otherwise provided herein: Licensee may assign some or all of its rights and/or delegate some or all of its obligations under this Agreement with the express prior written consent of SBA, which may be granted or withheld in SBA's sole discretion. Licensee may assign all of its rights indivisibly in connection with a sale or other disposition of substantially all the assets of that Licensee's business relating to the Membership Information to a single acquiring person. The acquiring person must agree in writing to comply with the Licensee's obligations under, and to be bound by, this Agreement.

14. If any one or more of the provisions of this Agreement should be ruled wholly or partially invalid or unenforceable by a court or other government body of competent jurisdiction, the validity and enforceability of all provisions of this Agreement not ruled to be invalid or unenforceable will be unaffected.

15. This Agreement shall be construed and interpreted in accordance with the laws of the State of Arizona; and venue and jurisdiction of all parties shall be in the County of Maricopa, State of Arizona.

16. This Agreement shall become binding and enforceable against the signatories when executed by SBA.

Dated this _______________________ day of_____________ , 20 ______

Authorized Signatory
State Bar of Arizona

Company Representative Signatory

---

Revised: 3/31/09

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Submission and Payment of Annual Membership Dues

Annual membership dues may be paid by cash, check, or credit card (MasterCard, VISA, Discover or American Express).

Annual membership dues may be submitted by mail or via the State Bar of Arizona website (only available during dues period).

June 2010: Updated by staff to conform with current Federal Laws and current procedures.
The Board of Governors approved the funding of the swearing-in ceremonies for judges of the Court of Appeals and Justices of the Supreme Court. The expenditure for any one swearing-in ceremony may not exceed $500.00.

The Bar will also provide a gavel for the swearing-in ceremony of any out-county Superior Court Judge when the local Bar does not do so.

Policy “reaffirmed” by the Board of Governors on January 16, 1987.

Policy amended by the Board of Governors on October 20, 2006. **Comment:** increases contribution from $250 to $500.
### Executive Leadership Team

<table>
<thead>
<tr>
<th>Name</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>John F. Phelps, CEO/Executive Director</td>
<td>201</td>
</tr>
<tr>
<td>John Furlong, General Counsel/Deputy Director</td>
<td>301</td>
</tr>
<tr>
<td>Maret Vessella, Chief Bar Counsel</td>
<td>245</td>
</tr>
<tr>
<td>Patty Berg, Director of Human Resources</td>
<td>373</td>
</tr>
<tr>
<td>Rick DeBruhl, Chief Communications Officer</td>
<td>335</td>
</tr>
<tr>
<td>Tom Johnson, Chief Financial Officer</td>
<td>217</td>
</tr>
<tr>
<td>Lisa Deane, Member Services Director</td>
<td>316</td>
</tr>
<tr>
<td>I. Godwin Otu, Diversity Director</td>
<td>389</td>
</tr>
<tr>
<td>Carrie Sherman, Director of Board Operations</td>
<td>201</td>
</tr>
</tbody>
</table>

### Support Staff

<table>
<thead>
<tr>
<th>Name</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nina Benham, Board and Member Services Specialist</td>
<td>329</td>
</tr>
<tr>
<td>Betty Flores, Resource Center Director</td>
<td>215</td>
</tr>
<tr>
<td>Rob Hosch, Director of Information Technology</td>
<td>228</td>
</tr>
<tr>
<td>Jim Lee, Attorney Consumer Assistance Program (A/CAP)</td>
<td>249</td>
</tr>
<tr>
<td>Ann Leslie, Executive Assistant</td>
<td>221</td>
</tr>
<tr>
<td>Carolyn de Looper, Mandatory CLE/BLS Administrator</td>
<td>327</td>
</tr>
<tr>
<td>Kathleen Lundgren, Administrator, Government Relations</td>
<td>371</td>
</tr>
<tr>
<td>Christine Oxford, Controller</td>
<td>218</td>
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### Arizona Foundation for Legal Services & Education (AZFLS&E)

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Kevin Ruegg, Ph.D., Executive Director/CEO</td>
<td>356</td>
</tr>
<tr>
<td>Lara Slifko, Resource Development Director</td>
<td>235</td>
</tr>
<tr>
<td>Julie Wilson, Director of Finance/Controller</td>
<td>390</td>
</tr>
<tr>
<td>Committee Name</td>
<td>Liaison</td>
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<tr>
<td>-----------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Appointments Committee</td>
<td>Carrie Sherman</td>
</tr>
<tr>
<td>AZ Attorney Editorial Board</td>
<td>Tim Eigo</td>
</tr>
<tr>
<td>Board of Legal Specialization</td>
<td>Carolyn de Looper</td>
</tr>
<tr>
<td>Civil Jury Instructions Committee</td>
<td>Ilona Kukan</td>
</tr>
<tr>
<td>Civil Practice &amp; Procedure</td>
<td>Michael Tannery</td>
</tr>
<tr>
<td>Class Actions &amp; Derivative Suits</td>
<td>Anne DePalma</td>
</tr>
<tr>
<td>Communications Advisory</td>
<td>Pat Giallanza</td>
</tr>
<tr>
<td>Continuing Legal Education</td>
<td>Lisa Deane/Mari Kline</td>
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<tr>
<td>Convention Committee</td>
<td>Karolyn Kiburz</td>
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<td>Criminal Jury Instruction</td>
<td>Ilona Kukan</td>
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<td>Criminal Defense Practice &amp; Procedure</td>
<td>Michael Tannery</td>
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<td>Criminal Prosecution Practice &amp; Procedure</td>
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<td>Family Practice &amp; Procedure</td>
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<tr>
<td>Fee Arbitration</td>
<td>Peggy Alford</td>
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<tr>
<td>In-House Counsel Committee</td>
<td>Anne DePalma</td>
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<td>Lawyers Professional Liability</td>
<td>John Furlong</td>
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<td>Legal Services Committee</td>
<td>Carrie Sherman</td>
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<tr>
<td>Mandatory CLE Committee</td>
<td>Carolyn de Looper</td>
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<tr>
<td>Member Assistance Committee</td>
<td>Tracy Ward/Hal Nevitt</td>
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<tr>
<td>Mentor Committee</td>
<td>Donna Klimek</td>
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<tr>
<td>Military Legal Assistance Committee</td>
<td>Anne DePalma</td>
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<tr>
<td>Minorities and Women in the Law</td>
<td>Rosie Figueroa</td>
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<tr>
<td>Peer Review</td>
<td>Peggy Alford</td>
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<td>Persons With Disabilities in the Legal Prof.</td>
<td>Rosie Figueroa</td>
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<tr>
<td>Professionalism</td>
<td>Michael Tannery</td>
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<td>Rules of Professional Conduct</td>
<td>Michael Tannery</td>
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<tr>
<td>Sexual Orientation &amp; Gender Identity</td>
<td>Rosie Figueroa</td>
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<tr>
<td>Unauthorized Practice of Law Advis. Comm</td>
<td>Karen Boehmer</td>
</tr>
<tr>
<td>Service</td>
<td>Phone Number</td>
</tr>
<tr>
<td>-------------------------------------</td>
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</tr>
<tr>
<td>Resource Center</td>
<td>602-340-7239</td>
</tr>
<tr>
<td>(toll-free outside Maricopa County)</td>
<td>1-866-48-AZBAR</td>
</tr>
<tr>
<td>Tucson Office</td>
<td>520-623-9944</td>
</tr>
<tr>
<td>Advertising Opportunities</td>
<td>602-340-7230</td>
</tr>
<tr>
<td>Appointments</td>
<td>602-340-7201</td>
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<tr>
<td><em>Arizona Attorney</em> Magazine</td>
<td>602-340-7310</td>
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<tr>
<td>Attorney/Consumer Assistance Program (A/CAP)</td>
<td>602-340-7280</td>
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<tr>
<td>Board of Governors</td>
<td>602-340-7329</td>
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<tr>
<td>Client Information Brochures</td>
<td>602-340-7293</td>
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<td>Continuing Legal Education</td>
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<td>Convention</td>
<td>602-340-7203</td>
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<td>E-mail Service</td>
<td>602-340-7281</td>
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<td>Economics of Law Practice Report</td>
<td>602-340-7293</td>
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<td>Ethics Hotline</td>
<td>602-340-7284</td>
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<td>Fee Arbitration Program</td>
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<td>Government Relations</td>
<td>602-340-7371</td>
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<td>Judicial Nominating Commissions</td>
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<td>Law Office Management Assistance Program</td>
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<td>Legal Career Center</td>
<td>1-800-659-5589</td>
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<td>Legal Specialization</td>
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<td>Mandatory Continuing Legal Education</td>
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<td>Member Assistance Program</td>
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<td>Membership Directory</td>
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<td>Membership Records</td>
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<td>Mentor Program</td>
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<tr>
<td>Public Relations</td>
<td>602-340-7335</td>
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<td>Sections, Committees</td>
<td>602-340-7215</td>
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<tr>
<td>Speakers Bureau</td>
<td>602-340-7293</td>
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<tr>
<td>Task Forces</td>
<td>602-340-7201</td>
</tr>
<tr>
<td>Web Site</td>
<td>602-340-7261</td>
</tr>
</tbody>
</table>
ANNUAL BUDGET

It is the policy of the Board of Governors that the proposed budget for the coming year be presented to the Board of Governors no later than the November meeting and that the budget be approved by the Board no later than the December meeting.
FINANCIAL POLICIES MANUAL
Adopted June 14, 2006

Prepared by and under the direction of:

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Chief Financial Officer

Approved by:
________________________________________
Executive Director

Approved by:
________________________________________
Chairperson of the Finance and Investment Committee

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Chairperson of the Audit Committee

Adopted by the Board of Governors:

________________________________________
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I. Introduction

Purpose

The State Bar of Arizona has a fiduciary responsibility to both its members and the Supreme Court of Arizona to account for, manage, invest and safeguard its financial resources. Accordingly, the State Bar of Arizona has the responsibility to plan adequately for the income and expenditures associated with the effective delivery of services to its members and to the public, consistent with its mission. In order to meet these fiduciary responsibilities, the State Bar of Arizona staff and the Board of Governors have developed and adopted this Financial Policies Manual.

Scope

The Financial Policies Manual covers all financial related activities for the State Bar of Arizona. It replaces and/or supersedes any previous financial policy document not referenced herein. Any conflict or omissions that become apparent will be referred to an appropriate Board Committee to recommend resolution by the Board.

Review and Approval

The contents of the Financial Policies Manual will be reviewed during the first quarter of each year by the CFO, the Executive Director, the Finance Committee and the Audit Committee. The Audit and Finance Committees shall report their findings from their annual review and recommendations for changes to the Board of Governors on or before April 30 of each year. Any changes must be approved and adopted by the Board of Governors.

Objective

The Financial Policies Manual will guide both staff and board members in the critical areas of financial management and governance. The Financial Policies Manual is intended to provide a clear, distinctive set of guidelines that can be used to base day-to-day financial management decisions upon an existing policy statement. The policy statement will also serve as a helpful reference and training tool for financial staff at the Bar as well as the members of the Finance Committee.

In the development of the Financial Policies Manual, the State Bar of Arizona has relied heavily upon staff and board training materials provided by:

1. National Association of Bar Executives
2. The Center for Nonprofit Management
3. Support Center for Nonprofit Management
The following key governance requirements will support the implementation of the Financial Policies Manual:

a. The Finance and Audit Committee of the Board of Governors will monitor the implementation of the Finance Policy Manual and approve updates as required.
b. An annual review of the policy guidelines and staff adherence to the guidelines will be included in the audit parameters set by the Audit Committee.
c. Adherence to the policy statements contained herein are explicitly required job performance standards for both the Executive Director and the CFO.
d. Any deviations from the policy established in the Finance Policy Manual will require the written approval of the Board of Governors.

**Definitions**

The State Bar of Arizona………………………………. “the SBA” or “the Bar”
The Board of Governors………………………………… “the Board”
The Finance and Investment Committee………………… “the Finance Committee” or “the Committee”
Executive Director……………………………………….. “ED”
Chief Financial Officer…………………………………. “CFO”
The Finance Policy Manual…………………………….. “the Manual”

**References**

City of Peoria, *Principles of Sound Financial Management*
Edward McMillan, *Fraud & Embezzlements: How they Happen and How to Avoid Them*
Edward McMillan, *Budgeting Techniques for Associations*
Murray Dropkin & Bill LaTouche, *The Budget-Building Book for Nonprofits*
Michael Allison & Jude Kaye, *Strategic Planning for Nonprofit Organizations*
Kent Shamblin, *Investment Strategy and Policy for Nonprofit Organizations*
Mary F. Foster and Howard Becker, 2003 Miller Not-for-Profit Reporting
Warren Ruppel, 2002 Miller Not-for-Profit Organization Audits
Frank M. Burke and Dan M. Guy, *AUDIT COMMITTEES: A Guide for Directors, Management, and Consultants*
II. Planning & Budgeting Policies

Purpose

The Planning and Budgeting Policies outline the planning and budgeting process that includes the Long-Range Plan, the Annual Budget, and budget monitoring requirements. They also provide a planning calendar for executing the described process.

Scope

These policies provide guidance for the planning and budgeting activities for the SBA.

Objective

The planning requirements consist of three primary elements:
1. Goal and direction setting through development of a Long-Range Plan.
2. Development of the Annual Budget and associated programs and services.
3. Budget monitoring to ensure targeted performance each year.

Long-Range Planning Process

Along with the qualitative elements of the Long-Range Plan, a five-year financial plan will be developed to estimate the fiscal impact of major programs and capital projects that are anticipated today, but are not yet reflected in the current period financial statements.

1. The Executive Director and the CFO will present the five-year financial plan, along with the Long-Range Plan, to the Board of Governors by May of each year.
2. The Planning Calendar will be reviewed with the Board in May of each year with specific dates set for key deliverables.
3. Management staff will identify trends anticipated to have longer term financial impact on programs and operations.
Planning Calendar

The SBA has adopted the following Planning Calendar:

<table>
<thead>
<tr>
<th>May</th>
<th>Review Long-Range Plan and Annual Planning Calendar with the Board of Governors</th>
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<tr>
<td>July</td>
<td>Present preliminary (all inclusive) Long-Range Plan; refine and prioritize items in the LRP at the Board of Governors Retreat</td>
</tr>
<tr>
<td>August</td>
<td>Discuss Upcoming Annual Budget Process with the Finance Committee, FTEs, and significant programs</td>
</tr>
<tr>
<td>October</td>
<td>Present Draft Annual Budget to Finance Committee</td>
</tr>
<tr>
<td>November</td>
<td>Finance Committee will meet with Scope and Operations to review the proposed budget; Scope and Operations will approve and recommend proposed budget to the Board of Governors</td>
</tr>
<tr>
<td>December</td>
<td>The Board approves the Annual Budget</td>
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Annual Budget Process

The Annual Budget process is one of the most critical financial management tools available to the Board and staff. It is intended to provide:

a. The necessary financial and operational guidance to implement Board policies and directives
b. An outline of the specific set objectives, programs and action plans for the upcoming year, consistent with the Long-Range Plan
c. An appropriation of the staff resources and expenditures required to implement the annual objectives, major programs and service offerings
d. An annual review of the Bar operating expenditures, performance indicators, service levels, etc.

The Annual Budget will contain the following essential elements:

1. Revenue forecasts by program, department, and major category
2. Expenditure forecasts by program, department, and major category
3. Personnel staffing levels by program, department, and major category
4. A schedule of capital expenditures
5. Projected total annual balance sheet and income statement results
6. Monthly projections of operating results
7. Contingency plans for shortfalls of resources, unexpected requirements, etc.
8. Key objectives, performance measures, productivity levels, targets, etc.
9. Description of major projects, programs and initiatives for the coming year
In addition:
 a. The Annual Budget will be developed on an accrual basis, using Generally Accepted Accounting Principles (GAAP), consistent with the reporting of financial results.
 b. The Annual Budget will establish the staffing levels and the financial resources necessary to the conduct of activities of the Bar.
 c. The Executive Director and the CFO will ensure that all programs, projects, and service delivery requirements are adequately accounted for during the budgeting process.
 d. The CFO will develop an internal process, timeline, and set of data requirements for the financial staff and departments effectively to prepare budget projections.
 e. The Annual Budget process and key parameters, assumptions, etc. will be reviewed with the Finance Committee.
 f. Alternatives for improving the efficiency and effectiveness of the State Bar’s service delivery will be reviewed during the Annual Budget process.
 g. The Scope and Operations Committee will review the proposed Budget after it has been approved by the Finance Committee and before it is submitted to the Board for action.
 h. At least ninety (90) days before a proposed budget is presented to the Board of Governors for approval, the Board of Governors shall establish written Budget guidelines, make those Guidelines public and provide them to staff, including salary and wage guidelines. Deviations from Budget Guidelines will be reported to the Board, as part of the Budget approval process. The Budget Guidelines shall, at a minimum, state the maximum percentage increase for (1) overall expenses and (2) salaries and wages and related expenses for the upcoming budget. It is anticipated that the budget submitted by staff shall be consistent with the budget Guidelines. If the budget submitted by staff exceeds the Budget guidelines, it shall be approved by the Board of Governors based only on good cause stated in the Minutes.

Budget Monitoring Requirements

The Annual Budget is an important tool for controlling expenditures and avoiding deficit spending. By monitoring actual income and expenditures versus the Annual Budget, the Board and management can effectively assess overall financial performance and adjust operating plans as needed.

1. The Finance Committee shall work with the Executive Director and CFO to monitor income and expenditures and to maximize revenue from prudent investments and non-dues related sources.

2. The Executive Director and the CFO will take all measures necessary to ensure that actual financial activities adhere to the budget.

3. A monthly Significant Year-To-Date Variance Report from Budget will be provided to both the Finance Committee and the Board, and beginning with the 2nd half of the year, a forecast of the full year results will be provided. The purpose of the variance report is to compare, on a year-to-date basis, how the Bar is performing compared to the budget. If actual numbers are more or less than budget, favorable variances should be shown as positive numbers and unfavorable variances should be shown as negative (bracketed) numbers.
Proper recording of accruals and payables is important. Additionally, the annual budget approved by the Board should reflect monthly revenues and expenses. The monthly allocations should be realistic, based on experience and informed judgment. The CFO and senior management should review the monthly allocations for reasonableness to reduce the incidence of monthly “variances” due to predictable timing issues.

4. Department managers are required to monitor revenues and control expenditures to prevent exceeding the total department expenditure budget.

5. Department managers must notify the Executive Director and CFO in a timely fashion of any exceptional circumstances that could result in any significant departmental expenditure in excess of the budget level, or any significant revenue shortfall. The Executive Director and/or the CFO will advise the President and Finance Committee Chair in a timely manner of any excessive expenditure beyond the budget or significant revenue shortfalls.

6. Increases to the overall total expenditure level of the organization will be made only with the consultation of the Finance Committee, and only when necessary funding resources are available.

7. Funding of annual expenditures through a draw upon reserves (an operating loss) will be made only with the prior knowledge and approval of the Board.
III. Accounting & Financial Reporting Policies

Purpose

Accounting and financial reporting by the State Bar provides necessary financial information to the State Bar management and Board of Governors. Timely and accurate reporting is essential to the ability to meet fiduciary responsibilities. The Accounting & Financial Reporting Policy provides guidance for the reporting of accounting and finance information.

Scope

These policies govern all SBA employees who provide information for preparing or reviewing any accounting or financial information or reports.

Objective

Financial Accounting Standards

The SBA will comply with generally accepted accounting principles (GAAP) in its accounting and financial reporting, as contained in the following publications:

1. Pronouncements of the Financial Accounting Standards Board (FASB)
3. American Institute of Certified Public Accountants (AICPA)
   a. Statements of Position (SOPs)
   b. Accounting Research Bulletins (ARBs)
   c. Statements of Auditing Standards (SASs)
   d. Accounting Principles Board (APB) opinions and statements.

Generally Accepted Accounting Principles

GAAP requires the accrual basis of accounting. Thus all budgets and reports (monthly, quarterly and annually) of actual results will be approved and prepared on an accrual basis.

Cash basis accounting will be used only for cash management purposes, internal to the Accounting & Finance Department.

Managerial Cost Accounting

Managerial cost accounting is a tool to assist decision makers in analyzing and making decisions and judgments about various matters, including pricing products; starting, evaluating, or continuing programs; relocation of the Bar or Bar service centers; etc. The CFO is responsible for determining the best method of cost accounting to be used for various types of decisions and judgments, and for explaining the rationale for the method used.
**Monthly Reporting Requirements**

The monthly closing process shall be completed within eight (8) working days following the end of each month. Monthly financial reports shall be provided within ten (10) working days of the end of each month and shall consist of the following:

- Condensed Operating Statement w/ Footnotes
- Significant YTD Variances Report From Operating Budget
- Condensed Balance Sheet
- Summary of Investments, if applicable
- Other financial information deemed appropriate by the Executive Director, the CFO and the Finance Committee

**Quarterly Reporting Requirements**

- Same as monthly reporting requirements
- Determine if budget needs amending and recommend amendments to Finance Committee for approval
- Supplemental financial information including but not limited to:
  1. Ranked Vendor Payments report for the quarter and/or year-to-date.
  2. Vendor payments in excess of $5,000 per vendor incurred by any one department for the quarter and year-to-date.
  3. Significant Contracts listed by Renewal Expiration Month
  4. Capital Expenditures and variance from the Capital Budget for the quarter and year-to-date.
  5. Sections’ carry-overs

**Annual Reporting Requirements**

- Same as monthly and quarterly reporting requirements
- Audited Financial Statements
- Auditors’ Management Letter, if any
- Auditors’ Reportable Conditions Letter, if any

**Reporting of Significant Events**

The Executive Director and the CFO shall promptly report the following events, and any other items deemed significant, to the Finance Committee and the Board of Governors:

- Changes in key personnel (which should also be reported to the Human Resources Committee)
- Scheduled or unscheduled draws upon reserves
- Real property transactions
- Long-term contractual obligations*
- High dollar value contractual obligations*

* As defined in section VI of this manual.
* Ibid.
f. Indebtedness and/or contingent liabilities

g. Late payments and/or defaults on obligations

h. Contingent liabilities, litigation, and threatened claims or assessments

i. Fraud, defalcations, or employee dishonesty

j. Any significant breakdown in internal controls
IV. The Audit Package and Antifraud Programs

**Purpose of the Audit Package**

The Audit Package section defines the expectations of the SBA regarding external audit firms and provides a list of items that should be contained in their final audit work product.

**Scope**

All outside firms engaged in audit activities for the SBA, the Audit Committee, and all others who participate in the audit process are governed by this section.

**Objective**

The audit package provides one of the most critical elements of financial controls and governance. External auditors bring significant accounting and financial expertise as well as independence of approach. Audit findings can be instructional to both management and the Board and serve to facilitate any corrective measures needed.

**Audit Standards**

The annual audit of the SBA will be conducted in adherence to the AICPA Audit Guide for Nonprofits. The audit package will include:

a. Independent Auditor’s Report
b. Financial Statements
c. Independent Auditor’s Report on Compliance and Internal Control over Financial Reporting
d. Reportable Conditions Letter, if applicable
e. Management Letter, if applicable

The audit firm may be retained to prepare required income tax returns.

The Audit Committee, the Executive Director and/or the CFO may determine that certain items or areas of the business need to be added to the scope of the audit (audit plan).
Qualifications of the Audit Firm

The audit firm selected shall demonstrate qualifications and experience in performing audits for comparably sized nonprofit entities and preparing required income tax returns.

The audit firm shall not be retained for non-audit consulting engagements, so as to preserve its independence with respect to the audit findings.

Management of Antifraud Programs and Controls

To effectively prevent and deter fraud, the Bar should have an appropriate oversight function in place. Oversight can take many forms and can be performed by many within and outside the Bar, under the overall oversight of the Audit Committee.

1. The Audit Committee should evaluate management’s identification of fraud risks, implementation of antifraud measures, and creation of the appropriate “tone at the top.” Active oversight by the Audit Committee can help to reinforce management’s commitment to creating a culture with “zero tolerance” for fraud. The Audit Committee also ensures that senior management (in particular, the ED and the CFO) implements appropriate fraud deterrence and prevention measures to better protect members, employees, and other stakeholders.

2. The Audit Committee’s evaluation and oversight not only helps make sure that senior management fulfills its responsibility, but also can serve as a deterrent to senior management engaging in fraudulent activity by ensuring an environment is created in which any attempt by senior management to involve employees in committing or concealing fraud would lead promptly to reports from such employees to appropriate persons, including the Audit Committee. Given the fact that management can be in a position to initiate, participate in, or direct the commission and concealment of a fraudulent act, the Audit Committee must oversee the activities of senior management and consider the risk of fraudulent financial reporting involving the override of internal controls or collusion.

3. The Audit Committee also plays an important role in helping the Finance Committee fulfill its oversight responsibilities with respect to the Bar’s budgeting, and monitoring financial performance. In exercising this oversight responsibility, the Audit Committee should consider the potential for management override of controls or other inappropriate influence over the financial reporting process and, in particular, the ability of management to override information processed by the Bar’s financial reporting system (for example, the ability for management or others to initiate or record nonstandard journal entries). In addition, information received in communications from the independent auditors can assist the Audit Committee in assessing the strength of the Bar’s internal controls and the potential for fraudulent financial reporting.

4. The Audit Committee will assist management in developing a mechanism to encourage employees to report concerns about unethical behavior, actual or suspected fraud, or violations of the Bar’s code of conduct or ethics policy. The committee should then receive periodic reports describing the nature, status, and eventual disposition of any suspected fraud or unethical conduct.
Senior Management

If senior management is involved in fraud, the next layer of management may be the most likely to be aware of it. Any employee shall report fraud or suspected fraud at the senior management level directly to the Chairperson of the Audit Committee.

The Audit Committee Chairperson, in conjunction with the Audit Committee, will investigate the alleged or suspected wrongdoing brought to its attention. The Audit Committee has the authority to retain legal, accounting, and other professional advisors as needed to advise the committee and assist in its investigations. A summary of the activity, follow-up and disposition shall be provided to the Board of Governors.

Employee Policy Manual

The Bar shall maintain and publish a clear policy for employees to report concerns involving financial matters including the circumstance under which such concerns should be reported to the Chair of the Audit Committee. This policy shall be developed and approved by the Audit Committee and published in the Employee Policy Manual, consistent with Section XI of this Manual.
V. Internal Controls Policies

Purpose

The Internal Controls Policies define internal controls in general and outline specific steps being taken by SBA employees to adhere to these controls.

Scope

All SBA employees, and all efforts relating to internal controls, are governed by this policy.

Objective

Internal control is a process, affected by the board of governors, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives in the following categories:

- Reliability of financial reporting
- Compliance with laws and regulations
- Effectiveness and efficiency of operations
- The safeguarding of assets

The five interrelated components of internal controls are:

1. **Control Environment** – The tone of an organization influences the control consciousness of its personnel. Factors that contribute to the control environment include the attention and direction of the Board of Governors, the Finance Committee, and the Audit Committee; the integrity and ethical values of management; management’s commitment to competence; management’s philosophy and operating style; the organizational structure; the assignment of authority and responsibility; and human resource policies and practices.

2. **Risk Assessment** – An organization’s assessment, identification, analysis, and management of risks are relevant to the preparation of GAAP-based financial statements. Factors that may contribute to organizational risks include changes in the operating environment, new personnel, new or updated information systems, rapid growth, new technology, new business activities, corporate restructuring, and accounting pronouncements.

3. **Control Activities** – The policies and procedures that help ensure that the organization’s directives and control policies are carried out. Control activities have various objectives and occur throughout the organization at all levels and all functions. Activities relevant to achieving reliable financial reporting include performance reviews, controls over data center operations and system software, applications controls over transactions, security of assets, and segregation of duties.

4. **Information and Communication** – The organization’s information systems, including the accounting system, require timely identification, capture, and communication of internal and external information to enable the organization’s personnel to perform their responsibilities.
5. **Monitoring** – Monitoring is important to assess if controls are operating as intended over time and whether they are modified as appropriate for changes in condition.

It is important to remember that internal controls are not a panacea and do not guarantee reliability and compliance, but do provide reasonable assurance. Internal controls will be evaluated and reported upon by the audit firm annually.

**Internal Control Safeguards**

The SBA, under the direction of the Executive Director and the financial management of the CFO, will maintain the following safeguards against potential fraud and embezzlement:

a. Checks collected for membership dues are sent directly to a bank lock-box account for processing.

b. All other checks received by hand or mail are endorsed by the accounting department and deposited in a timely manner.

c. Member credit card account information is adequately safeguarded.

d. Employees handling financial transactions should be required to take five consecutive days of vacation each year.

e. Payment of all invoices and bills requires review and approval as provided in the Procurement, Contracts, and Commitments Policy.

f. Accounting department personnel are prohibited from being signers on bank accounts -- only the Executive Director, the CFO, the Chief Bar Counsel, and the Senior Director of Human Resources are designated signers. Check signers will not sign checks payable to themselves.

g. Checks written for over $10,000 require two signatures.

h. CFO or his/her designee will review all disbursements, banking statements, and canceled checks on a monthly basis.

i. Bank account reconciliations are performed on a regular basis by employees who are not otherwise involved in the day-to-day handling and recording of cash receipts and disbursements.

j. In addition to the items referenced above, the Accounting Responsibility Matrix, included in the Accounting Procedures Manual, must demonstrate that adequate segregation of duties exists in the accounting and finance department.

k. The Audit Committee Chair shall periodically review:
   1. Expense reports of the ED and CFO
   2. Credit card charges of the ED and the CFO
   3. Any questionable expenses that cannot be resolved between the Audit Committee Chair and the ED or CFO will be referred to the Secretary/Treasurer of the Bar.
VI. Procurement, Contracts, and Commitments Policies
(Adopted by the Board of Governors 1/15/04)

Purpose

The procurement process is an integral part of the business of the State Bar of Arizona. The Procurements, Contracts, and Commitments Policy provides guidance to employees for the procurement of goods and services, governs the approval of procurements and monitors compliance with procurement procedures.

Scope

This policy covers all SBA employees for the procurement of all goods and services, including professional services for the SBA.

Objective

The objective of the SBA procurement policy is to obtain quality products and services at a competitive rate through a fair, open and efficient procurement process.

It is also an objective to obtain the best value for goods and services for the SBA. Best value may not always be the lowest price. In determining best value, the experience and qualifications of the vendor, the ability to deliver timely and reliable performance, security considerations, and overall cost should be considered. The basic criteria for vendor selection for the SBA shall be:

1. Proposal Price / Value
2. Statement of Work / Product or Service Description
3. Statement of Qualifications
4. Vendor References
5. Past Performance

Procurement Requirements

Level One Procurements
The procurement of goods or services that do not exceed $5,000 per vendor in any calendar year for any one department may be accomplished or authorized by an SBA manager/director, provided that the goods or services are a normal business requirement and are approved and covered in the Annual Budget. A Level One procurement may be effectuated by an authorized manager/director directly, or the manager/director may delegate an SBA employee in that manager’s/director’s department to do so. Where the manager/director effectuates the transaction directly, the receipt and/or any other documentation of the transaction must be appropriately filed and retained. Where an employee is delegated by a manager/director to accomplish the transaction, the employee may submit the receipt, along with the appropriate paperwork, to his or her manager/director for reimbursement or direct payment. Alternatively, a check request may be submitted by or through the manager/director accompanied by the appropriate documentation.
Level Two Procurements
The procurement of goods or services in an amount in excess of $5,000 per vendor per department but not in excess of $50,000 per vendor per department in any calendar/fiscal year must be authorized by an SBA manager/director and either the Chief Financial Officer or the Executive Director, provided that the goods or services are a normal business requirement and are approved and covered in the Annual Budget. A Level Two procurement may be handled by a check request accompanied by the appropriate documentation, i.e., invoice, contract, etc. Such check request must be reviewed and signed by the manager/director authorizing the procurement and either the Chief Financial Officer or the Executive Director. Procurements for professional services and employee benefits in excess of $5,000 per vendor per department but not in excess of $25,000 per vendor per department must be in writing, evidenced by a signed contract, letter of intent, etc., and must be approved by both the Executive Director and Chief Financial Officer. Procurements with known sole-source vendors with a total annual value in excess of $5,000 but not in excess of $50,000 and contracts over two years in duration with a total value in excess of $10,000 but not in excess of $100,000 must be approved by both the Executive Director and Chief Financial Officer. If either the ED or the CFO make a Level Two procurement request then the other party must approve the request.

Level Three Procurements
The following procurements shall be subject to Finance Committee review:

a. Professional services or employee benefits with a total annual value per vendor (including all related entities of that vendor) of $25,000 or more;

b. Goods and services in the normal course of business with a total annual value per vendor (including all related entities of that vendor) of $50,000 or more;

c. Contracts with known sole-source vendors* with a value of $50,000 or more; and

d. Contracts over two years in duration with a total value of $100,000 or more.

All Level Three procurements require the following:

1. A written proposal, letter of intent, agreement or RFP response that specifies the goods and services to be received by the SBA and the cost, terms and conditions of the agreement.

2. The procurement must advance an identifiable policy or long-range goal of the Board within the budget applicable to the contract period.

3. Verification of references from the vendor, if a first time vendor.

4. Disclosure of any relationships with existing vendors and/or principals of vendors and any employees of the SBA.

5. Vendor (recommended a minimum of 3) documentation outlining how the best value for the Bar will be delivered under the contract.

6. Appropriate performance benchmarks can be established to measure the delivery of best value.

7. Appropriate provision for mediation of disputes and disengagement exists, and

8. Verification from the CFO or his/her designee, that the procurement is included in the Annual Budget.

* A known sole-source vendor will not be subject to competitive procurement. However, such vendors must still demonstrate best value. Finance Committee or Board of Governors approval is still required for such contracts.
The initial reference verification shall be performed by the department proposing the contract. The CFO shall review reference verification unless the contract at issue is proposed by that department, in which case the review will be performed by the Executive Director, or his or her designee among employees with contract authority as defined by this policy. The original contract and all other reference verification data shall be furnished to the Finance Committee during contract review and shall be kept in the contract file maintained by the CFO.

Proposals for contracts subject to Level Three procurement may be obtained by invited bid or public advertising, under the supervision of the CFO. Invited bid is appropriate for use if there are a limited number of known vendors for the goods or services in the community, or confidentiality is necessary to ensure the best value for the Bar is obtained.

It is recommended a minimum of three (3) proposals for each contract subject to Level Three procurement be obtained by the department and such shall be reviewed by the CFO and reported to the Finance Committee to ensure compliance with this policy. If three (3) proposals are not received, the CFO will report to the Finance Committee and will have discretion to proceed with the bids received, or restart the procurement process, if that best value cannot be achieved with the proposals received. Under no circumstances shall any contract subject to competitive procurement be signed if the procurement process is not actually followed, and if Finance Committee review is not performed. The original contract and all other reference verification data shall be furnished to the Finance Committee during contract review and shall be kept in the contract file maintained by the CFO.

Contracts subject to Level Three procurement shall include performance measurement benchmarks. If the contract covers a service period of six months or more, quarterly reporting of disbursement and progress toward benchmarks shall be provided by the vendor. If that reporting is not provided, or the performance benchmarks are not met, the contract shall be subject to cancellation or withholding of the contract price until the defect is cured. The CFO shall monitor contract reporting and performance and report quarterly to the Finance Committee regarding all contracts subject to procurement. Failure by a vendor to report as required by this policy, or to deliver performance benchmarks, shall be reported to the Finance Committee forthwith.

Any Level Three contract shall be signed by both the ED and CFO. If the proposed contract concerns the department for which the CFO has direct authority, a third signature by a director is required.

**Appointment of Outside Conservators**

Whenever the Discipline Department determines to seek the appointment of an outside conservator, *i.e.*, an individual other than Staff Bar Counsel, as the conservator of the affairs of a lawyer or formerly admitted lawyer pursuant to Rule 65 of the Rules of the Arizona Supreme Court, that decision shall be considered a procurement for professional services subject to the requirements generally applicable to Level Three Procurements, except those which the CFO, the Chair of the Finance & Investment Committee and Chief Bar Counsel determine are unnecessary and/or inappropriate in an individual case.
General Counsel Review

General Counsel shall provide a legal review and approval of all contracts covered under this policy. The review shall include an assessment of compliance with all requirements of this policy and such legal review shall be documented on a form and documented substantially similar to Exhibit “A”

Central File Location

All contracts shall be held in the office of the CFO and available for review by members of the Finance Committee during office hours.

Reporting

The CFO shall report quarterly to the Finance Committee the status of the vendor payments and contract renewals on forms substantially similar to that set forth as Exhibit “B” and “C”. Copies of the most recent reports of contract renewals and ranked vendor payments submitted to the Finance Committee shall be included in the financial reporting information distributed to the Board of Governors for its meetings.

Prohibition

No new contract or renewal shall be executed without the required approvals and the proper signature(s) described above. Any contract having renewal term(s) shall contain a provision allowing the SBA the option not to renew the contract for any additional term upon appropriate prior written notice. No oral contract shall be permitted for any reason, and no employee of the Bar shall hold himself or herself out as having independent or single authority to execute a contract or otherwise legally bind the Bar to a financial obligation. The Board of Governors and Finance Committee has the right to disapprove any proposed agreement under this policy and has the discretion to waive any specific provision of this policy as it deems necessary to fulfill its fiduciary obligations to the SBA.

Annual Review of Procurement Policy

The Finance Committee will review this policy annually and may recommend changes to the policy.

VII. Investment Policy Statement

Purpose

The Investment Policy statement provides guidance to SBA managers regarding the types of investments, levels of risk, and overall asset allocation acceptable to the SBA, as well as objectives and strategies to achieve overall investment goals.

Scope

This policy is intended to address only those matters pertaining to the policies and guidelines that shall govern investment practices, oversight, and operations, in meeting the SBA’s objectives.

Objective

The primary objective of the SBA’s investment portfolio is preservation of capital while seeking the highest return available within the policy guidelines with a secondary goal of capital appreciation.

Note: With the purchase of an office building by the Bar in July 2004, and its financing using a revolving line of credit, investible funds will be limited until more equity is earned in the property. When investible funds become available, their management will be governed by this policy.

Management and Delegation

The Board shall appoint and authorize the Finance Committee to be responsible for executing and directing investment policies and to regularly report on investments to the full Board. In carrying out its responsibilities, the Finance Committee and its Advisors and agents will act in accordance with these Investment Policies (the “Policies”) and all applicable law and regulations. The Board reserves the exclusive right to revise the Policies at any time and to terminate any third party advisors.

The Board and Finance Committee are authorized to retain one or more Financial Investment Advisors (“Advisors”) to assume the investment management of funds and assets owned or administered by the Foundation. In discharging this authority, the Finance Committee can act in the place and stead of the Board and may receive reports from, pay compensation to, and enter into agreements with such Advisors. The Board may also grant written exceptions to the Investment Policies when appropriate.

Management responsibility for the investment program is delegated to the CFO, who shall prepare and recommend for the Executive Director’s and Committee’s approval, the written procedures for investment transactions in accordance with this investment policy. Such
procedures shall include explicit delegation of authority for transactions. No person may engage in an investment transaction except as provided herein.

Upon approval by the Committee, the CFO may engage one or more fee-for-service investment managers to delegate individual investment decisions that fall within the policy guidelines. The CFO shall be responsible for all transactions and shall establish a system of controls to regulate the activities of subordinate employees or third parties involved in investment activities.

**Investment Objectives and Strategies**

**Risk Tolerance**
The Portfolio shall pursue its investment objective subject to adequate provisions for overall preservation of the portfolio’s capital. Portions of the portfolio may be exposed to loss of principal in order to seek capital appreciation from investments exposed to low to moderate market risk.

**Diversification**
It is the policy of SBA to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration in a specific maturity, a specific issuer, or a specific class of securities. In times of uncertainty or market volatility the Committee may revise the asset allocation as a defensive strategy to mitigate capital loss.

The current authorized asset allocation, stated at market value at time of purchase, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Min</th>
<th>Max</th>
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</thead>
<tbody>
<tr>
<td>Equities</td>
<td>0%</td>
<td>50%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>0%</td>
<td>80%</td>
</tr>
<tr>
<td>Cash/Equivalents</td>
<td>20%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Authorized Investment Instruments**

The Committee has approved the following investment instruments in keeping with the objectives and strategies of the portfolio. The following are authorized investments:

**Short-Term investments (less than a year to maturity)**

a. Cash Management Account
   A cash management account through an approved fund manager or authorized broker dealer may be used as a cash account.

b. US Treasury Bills or US Government or Agency Notes
   These securities must have a maturity of less than a year at time of purchase through an authorized broker/dealer.

c. Money Market Funds
   All money market funds excluding tax exempt from an authorized investment manager or US bank.
d. Certificate of Deposit
A certificate of deposit (CD) in the amount not to exceed $100,000 with a maturity of 1 year or less may be purchased from any FDIC insured institution. CD’s in amounts not to exceed $100,000 with maturities greater than a year may be purchased through an authorized dealer.

Intermediate/Long-Term Investments (one to five years):

a. US Government or Agency Notes and Bonds
Any US Government or Agency note or bond with a maturity not to exceed 5 years at time of purchase by an authorized broker/dealer or US bank.

b. Corporate Bonds-AAA
All corporate bonds having no imbedded options (call or put features) with a Standard & Poor’s rating of at least A or Moody’s rating of at least A and a maturity of 5 years or less may be purchased. No more than 25% of these securities shall be rated A.

c. Mortgage Backed Securities
A lot riskier than US government. Prepayments may impact yield. GNMA is the only one US Gov guarantees. Fannie and Freddie not guaranteed.

d. Fixed Income Mutual Funds
Open-ended or close-ended (ETF) fixed income mutual funds that are no-load or low-load, no greater than 2%, with operating expenses of less than 1.5% may be purchased.

Investment Restrictions
No other investments are authorized without prior approval of the Board.

Custodial or Safekeeping
All security transactions entered into by SBA shall be conducted on a delivery-versus-payment (DVP) or receipt-versus-payment (RVP) basis. To prevent fraud or embezzlement, all securities will be held in street name by a third party, specifically an authorized financial dealer or institution.

Authorized Financial Dealers and Institutions
The CFO will maintain a list of financial institutions approved and authorized by the Finance Committee to provide investment services. In addition, a list will also be maintained of approved security broker/dealers and banks. No deposit shall be made except in a qualified public depository as established by state law.

Periodically, the Finance Committee will evaluate the services and performance of these institutions, using due diligence to determine that they are meeting all objectives and standards of the SBA.

Monitoring and Reporting of Investments
The CFO shall be responsible for monitoring all investment transactions of the SBA, ensuring that all such activity is accurately and timely recorded in the financial records according to generally accepted accounting principles (GAAP).
Where applicable, investments will be marked-to-market monthly and unrealized appreciation/depreciation and income will be timely recognized. Any additional realized gains or losses will be recognized at time of sale. Reconciliations of third party statements to the records of the SBA for transactions, income, and current value shall be performed monthly.

The CFO will provide monthly reports to the Finance Committee and the Board of Governors that will include an Investment Summary Report that contains, at a minimum, the description of each investment held, current market value, percentage of total investments, current and effective yield, and weighted average maturity. The Investment Summary Report shall be included in the monthly financial statement package.
VIII. Risk Management Policies

Purpose

The purpose of risk management is to proactively establish programs and processes that support business objectives while protecting the organization's key assets -- its employees and property -- from fortuitous loss at the lowest possible cost.

Scope

These policies govern all liability and property insurance programs provided to the SBA by outside insurance companies and any other SBA risk management effort.

Objective

Establishing an Effective Risk Management Strategy
The risk management function encompasses the identification, assessment, reduction, transfer, and funding of actual and potential accidental events that could result in a loss to an organization arising from:

1. Injury or death of personnel;
2. Loss or damage to physical assets and any resulting inability to provide products or services; and
3. Erosion of the organization's financial base resulting from claims by third parties.

Review of State Bar Insurance Policies

At least annually the CFO, the General Counsel, and the Finance Committee shall review all insurance policies held by the Bar to determine if risks are properly covered or managed. The Finance Committee is directed to engage the services of qualified risk management consultants if it so desires.

Copies of current policy declarations will be inserted in this policy manual.

Coverages now in place from one carrier include:

a. Commercial Property coverage
b. Commercial General Liability and Umbrella
c. Automobile coverage

Another carrier provides Association Professional Liability coverage.
IX. Financial Oversight of Compensation and Benefits

Purpose

Payroll is the largest expenditure of the State Bar. The Board’s fiduciary duties with respect to compensation and benefits derive from several sources. First, the Supreme Court rules contemplate that the Board is responsible for appointing employees and for determining their compensation. Second, as a matter of best practices for non-profit organizations, the Board is responsible for making sure that compensation and benefits are objectively reasonable and that conflicts of interest in setting compensation, particularly for key employees, be scrupulously avoided. Third, as a tax-exempt, non-profit corporation, federal law mandates disclosure of the compensation and benefits of all key employees on the annual federal tax return, Form 990, which is available for public inspection pursuant to I.R.C. § 6033.

Scope

This chapter covers the key financial oversight responsibilities concerning Compensation and Benefits. The following provisions are to be applied consistently with existing SBA policies, procedures and agreements relating to Human Resources, including the Compensation Philosophy, the Employee Policy Manual, and any employment agreement in effect between the SBA and the Executive Director.

1. There shall be an Executive Compensation Committee that shall consist of the officers of the Board and the chairs of the Human Resources Committee and the Finance Committee. The immediate past-president shall also serve as a non-voting, ex officio member of the Committee. The President may also appoint other members as appropriate. The chair of this Committee shall be the President. The Committee and Board shall complete its work during the fourth quarter of each year to allow for all compensation decisions to be included in the annual budget. The Committee may meet at other times during the year as needed.

2. Definitions: For purposes of this section, the following terms shall apply:
   a. “Staff” refers to all staff except the Executive Director and the Senior Executives.
   b. “Senior Executives” refers to the CFO, the Chief Bar Counsel, the General Counsel, the Senior Director of Human Resources, the Senior Director of Communications, and the Senior Director of Member Services.
   c. “Advice and consent” refers to the Executive Director’s scope of authority as to certain issues related to performance-based compensation. Where advice and consent apply, the Executive Director is required to provide relevant information to the appropriate Committee and indicate what action the Executive Director proposes to take. The Executive Director is deemed authorized to proceed with the proposed action upon presentation to and discussion with the Committee,
absent a negative vote by a majority of the Board members of the Committee. The advice and consent or the negative vote shall be reflected in the record of the Committee’s meeting.

3. Executive Director Compensation and Benefits: Procedure
   a. No staff or Senior Executive should participate in the Executive Director’s compensation process, except as otherwise requested by the Executive Compensation Committee.
   b. The Executive Director should not automatically be entitled to the annual market adjustments provided to the rest of the staff. Rather, his or her compensation should be reviewed annually or as provided in the Executive Director’s employment agreement with the Board.
   c. The Executive Director’s overall compensation must be objectively reasonable and market-based, and the Board should document how it reaches the conclusion that it is reasonable and market-based.
      i. Outside Advisors: The Board may seek assistance from independent outside advisors to determine what is objectively reasonable and market-based. Outside advisors engaged by staff to perform other work for the Bar may not be independent.
      ii. Examples of appropriate data include:
         a. compensation paid by similar organizations, both taxable and tax-exempt for “functionally comparable positions”;
         b. information on whether similar services are available in the organization’s geographic area;
         c. “independent firms;” and
         d. actual written job offers from similar institutions competing for the person in question. (These examples are from the Treasury Department guidance on how to establish reasonableness of compensation in the context of 501(c)(3) charities even though the Bar is a 501(c)(6) organization.)
      iii Documentation of decision making process: The Board should document its decision concerning Executive Director’s compensation at the time the final decision is made. The documentation should identify who participated in determining the reasonableness of the compensation and relation to the market, and the information upon which they relied. This documentation should be prepared by the next meeting of the Board after the meeting where final action is taken. Such documentation shall be maintained within the Human Resources Department as part of the Executive Director’s confidential personnel file. This represents a best practice for other non-profits, such as the Bar. (The IRS requires this for 501(c)(3) charities to benefit from a “presumption of reasonableness”.)

4. Staff Compensation and Benefits:
   a. The Human Resources Committee should commission a professional study of staff compensation and recommend salary ranges every three to five years, or more frequently as directed by the Board. The Committee’s recommendations as
to salary ranges shall be market-based, consistent with the Compensation Philosophy, and subject to Board approval.

b. Staff benefits shall be those described in the Employee Policy Manual approved by the Board, or such other benefits as the Board may expressly approve.

c. The Executive Director shall make recommendations as to payroll and employee-related expenses for staff and Senior Executives as part of the annual budgeting process. Such recommendations shall be subject to approval by the Board as part of the annual budget.

d. The Executive Director shall set individual staff compensation within salary ranges approved by the Board, and pursuant to the staff payroll budget approved by the Board. The Executive Director shall set individual staff benefits as described in the Employee Manual.

e. Before the Executive Director authorizes distribution of the budgeted pool for performance-based staff compensation, and upon the completion of the annual employee evaluation process, the Executive Director shall submit the criteria for allocation of such distribution to the Human Resources Committee for its advice and consent.

f. The Executive Director may request authorization to deviate from the approved salary ranges, budgeted compensation, and/or employee benefits for staff. The Executive Director shall submit such requests in writing to the Human Resources Committee for approval by the Board members of the Committee. The Human Resources Committee should review the Executive Director’s request to ascertain that the recommendation is market-based, reasonable, and appropriate. The Committee’s approval shall be subject to final approval by the Board, unless the Board delegates final approval authority to the Committee. Final approval shall be recorded in writing, a copy of which shall be retained in the confidential personnel file of the affected employee(s). Deviations from salary ranges should be well documented, and such documentation should be made available to external auditors, the Audit Committee and the Finance Committee to review.

5. Senior Executive Compensation and Benefits

a. The Senior Executives’ compensation shall be set by the same process established for all staff, except as otherwise provided herein.

b. No staff or Senior Executive should participate in setting performance-based compensation for the Senior Executives, except as otherwise requested by the Executive Director or Executive Compensation Committee.

c. Before the Executive Director authorizes distribution of the budgeted pool for performance-based compensation for Senior Executives, and upon the completion of the annual employee evaluation process, the Executive Director shall submit a plan for distribution of Senior Executives’ performance-based compensation to the Executive Compensation Committee for its advice and consent. The Executive Compensation Committee should review the Executive Director’s recommendations to ascertain that the proposed total compensation for each executive is reasonable and appropriate.

d. The Executive Director may request authorization to deviate from the approved salary ranges, budgeted compensation, and/or employee benefits for Senior
Executives. The Executive Director shall submit such requests in writing to the Executive Compensation Committee for approval by the Board members of the Committee. The Executive Compensation Committee should review the Executive Director’s request to ascertain that the recommendation is market-based, reasonable, and appropriate. The Committee’s approval shall be subject to final approval by the Board, unless the Board delegates final approval authority to the Committee. Final approval shall be recorded in writing, a copy of which shall be retained in the confidential personnel file of the affected Senior Executives(s). Deviations from salary ranges should be well documented, and such documentation should be made available to external auditors, the Audit Committee and the Finance Committee to review.

5. Form 990
   a) The Executive Director and the Chief Financial Officer should review the Form 990 before it is filed, and should provide a copy of it to the Board every year. The Human Resources, Audit, Finance and Scope and Operations Committees should also review this form and be provided a copy of the form.
X. Finance Related Responsibilities of Key Employees

The Executive Director

Key responsibilities of the Executive Director include, but are not limited to the following:

a. Assisting the Board in developing and implementing both its strategic planning and budgeting process.

b. Preparing various options for program development and the budget implications, and presenting recommendations to the Finance Committee.

c. Reviewing the draft budget proposals and making resource allocation decisions.

d. Presenting the recommended budget to the Finance Committee, and explaining its provisions and implications.

e. Supervising and directing the CFO.

f. Reporting of significant events to the Board of Governors.

g. Establishing and maintaining an adequate system of internal controls, antifraud controls, and accurate, timely financial reporting.

h. Making sure that the Financial Policies Manual and the Accounting Procedures Manual are enforced and maintained current.

The Chief Financial Officer (CFO)

The CFO is responsible for safeguarding the Bar’s assets, maintaining internal controls over monetary transactions and record-keeping, maximizing return on assets, ensuring the accuracy of the financial statements, maintaining the comprehensive internal and external technology processes, monitoring office safety, and safeguarding the Bar’s assets. Additionally, the CFO is responsible for insuring that financial accounting matters are reported timely and accurately to the Finance Committee and the Board of Governors.

In addition, the CFO performs the following:

a) Enforces the provisions of the Financial Policies Manual and the Accounting Procedures Manual and makes sure that they are maintained current.

b) Creates the budget development calendar and ensures that deadlines are met.

c) Communicates and oversees department manager compliance with budgeting policies and procedures.

d) Evaluates draft budget proposals received from department managers.

e) Provides the Executive Director and Finance Committee with options for resource allocation.

f) Ensures the completeness and accuracy of financial reporting.

g) Provides the day-to-day oversight for performance against budget objectives and related reporting.

h) Provides financial forecasts of SBA results to the Board of Governors and recommends countermeasures as needed.

i) Develops and implements internal controls and risk management programs which adequately safeguard the assets of the SBA.

j) Monitors potential economic implications for SBA investment policy and direction.
k) Maintains banking relationships.
l) Monitors and maintains investments.
m) Hires, trains and supervises the accounting and financial staff in accordance with applicable policies and procedures.
n) Works directly with the Finance Committee, the Audit Committee and the Board of Governors on all finance, budget, reporting and audit related matters, as needed.
XI. Key Financial Oversight Responsibilities of Finance Committee and Audit Committee

Purpose

This section details the role, membership and fiscal oversight responsibilities of the Board of Governors, the Board’s Audit Committee and its Finance Committee.

Scope

This chapter covers the key financial oversight responsibilities of the Board of Governors, Finance Committee, and Audit Committee.

Objective

The Board of Governors has a fiduciary oversight responsibility for the financial and business affairs of the SBA. The fiduciary responsibilities of a non-profit board such as a bar association are at least as great, if not greater, than the responsibilities of a for-profit organization’s board, since the funds are provided by membership and other funding sources in order to serve a broad and noble mission, including public service duties as well as the advancement of the legal profession.

The Board of Governors’ duties include:

1. Internal controls. Establishes that there are adequate internal controls and information systems in place to safeguard the assets of the Bar and to produce reliable financial information to the Board and Management.

2. Financial Statement and Budgets.
   a) Reviews, evaluates, and, if necessary, modifies the Bar’s Annual Budget.
   b) Reviews and evaluates the Bar’s monthly and annual financial statements and variance reports, and submits the annual audited financial statements to the Supreme Court.
   c) Requests supplemental analysis and reports, if necessary.
   d) Reviews and evaluates financial forecasts and other financial reports provided by the ED and CFO.

3. Audits.
   a) Establishes an Audit Committee that includes Board members with sufficient expertise to understand and effectively monitor the audit process.
   b) Authorizes the Audit Committee to select the State Bar’s auditor to conduct an audit of the Bar’s annual financial statements and the Client Protection Fund.
   c) Meets with the auditors at least once a year to receive the annual audit report, and reports, if any, on deficiencies in internal controls.


5. Sets an appropriate level of membership dues.

6. Retains outside experts to assist the Board, if necessary, with respect to financial and accounting issues.
7. Approves the selection, compensation and termination of the Chief Financial Officer.

Because of increasing pressure for accountability, many boards of not-for-profit organizations have established Finance and Audit Committees much in the pattern of the corporate model that is required by various regulatory bodies. The Finance and Audit Committees are standing committees of the Board of Governors that are charged with overseeing the integrity of the organization’s budgeting financial reporting processes, and internal control systems.

The Finance Committee Role, Membership, and Responsibilities

The Finance Committee oversees the budgeting process, recommends financial decisions to the Board, monitors compliance with the Bar’s financial policies in relation to the budget, the long range plan, and other Board policies. The Finance Committee reports to the Board. The Finance Committee should include the Audit Committee members, but it should also include other Board members so that a more representative cross-section of the Board can be involved in general oversight of the Bar’s finances. Continuity of membership should be a significant factor in selecting the membership of the Finance Committee. In addition to the Chair and Vice-Chair (discussed below), the Audit Committee should include the Second Vice President, at least two (2) additional members with a high level of competence and experience in accounting or financial management, and other members, as determined by the President.

The Board of Governors has assigned the following responsibilities to the Finance Committee:

a. Ensure that adequate minutes are taken for each meeting.
b. Review the monthly financial statements and financial performance indicators for the SBA on a monthly basis, as well as a budget forecast for the remainder of the year; analyze any significant variances between operating results, as reflected in the financial statements and the annual budget approved by the Board, and report to the Board on a monthly basis the results of the foregoing review and analysis, and recommend to the Board any actions that should be considered to deal with any significant variances or any issues raised by the budget forecasts.
c. Monitor the preparation of a proposed budget for the following calendar year, review the proposed budget with the CFO to ensure it reflects an accurate estimation of revenues and expenses for that calendar year, and present it to the Board of Governors for approval.
d. Annually review the Financial Policies Manual and Accounting Procedures Manual to ensure that they contain sound financial policies for the SBA, and implement a system of internal controls that will adequately safeguard the Bar’s assets.
e. Insure that IT infrastructure is adequate.
f. Implement a program for five-year plans to be prepared under the direction of the CFO and presented to the Board, on an annual basis, for approval. The plan should include an explanation of the underlying assumptions and performance indicators and shall be complete after the audit and before the September Annual Budget preparation cycle.

The Audit Committee Role, Membership, and Responsibilities

The Audit Committee is separate and distinct from the Finance Committee. The Audit Committee reports directly to the Board of Governors. It consists of three (3) or more members,
some or all of who may also serve on the Finance Committee. The Chair and at least two (2) members of the Audit Committee shall possess qualifying experience in auditing, accounting and financial management.

All Audit Committee members should be financially literate, and the committee should have at least one financial expert. The financial expert should possess:

1. A working understanding of generally accepted accounting principles and audits of financial statements prepared under those principles. Such understanding may have been obtained either through education or experience.

2. Experience in the preparation and/or the auditing of financial statements of an entity of similar size, scope and complexity as the Bar. The experience would generally be as a chief financial officer, chief accounting officer, controller, or auditor of a comparable entity. This background will provide the necessary understanding of the transactional and operational environment that produces the Bar’s financial statements. It will also bring an understanding of what is involved in, for example, appropriate accounting estimates, accruals and reserve provisions, and an appreciation of what is necessary to maintain a good internal control environment.

3. Experience in internal control governance and procedures of audit committees, obtained either as an audit committee member, a senior corporate manager responsible for answering to the audit committee, or an external auditor responsible for reporting on the execution and results of annual audits.

The Audit Committee oversees the audit process and is responsible for recommending an audit firm to the Board, setting its compensation, and overseeing the auditor’s activities. It is also responsible for oversight of the Bar’s Antifraud Programs and Controls, as set forth in Part IV of this Manual. Accordingly, the members of the Audit Committee should include the Board members with the most experience and expertise in finance, auditing, internal controls, fraud investigation, and accounting.

Additionally, the Board of Governors has delegated the following responsibilities to the Audit Committee:

a. Selecting, evaluating and replacing the external auditor
   The external audit firm is accountable to the audit committee and the Board of Governors. The Committee will annually evaluate the quality of the audit and services performed by the firm and make a recommendation to the Board for retaining or replacing the firm.

b. Reviewing the external audit plan
   The Audit Committee will meet with the external auditors prior to the audit to discuss the scope of the proposed audit, the planned audit procedures, and fees to be charged.

c. Evaluating the annual audited financial statements
   The Audit Committee will discuss the audited annual financial statements with the CFO and the external auditors prior to dissemination. The discussion should include any changes or new accounting policies, significant fluctuations or unusual transactions, differences in presentation format, accounting estimates or reserves, disagreements with management about accounting matters or disclosures, audit adjustments, quality of
accounting principles, Management Letter itemizing reportable conditions and overall level of impression concerning internal controls.

d. Overseeing the external audit process and audit results
   The Committee will conduct private meetings with the CFO and external auditors focusing on departures from the audit plan and impact on audit scope.
   1. During the meeting with management, the Committee will discuss the degree of cooperation, management’s assessment of the auditors’ service and quality of the audit, and the auditors’ knowledge of the organization, industry and its business risk.
   2. During the meeting with the auditors, the Audit Committee will discuss the degree of cooperation, any deficiencies in internal controls, capabilities of the organization’s management staff, including accounting and other personnel, and any practice not found in similar organizations.

e. Monitoring the external auditors independence
   The Audit Committee will annually review the auditors’ written disclosure of independence and ensure that no non-audit services and non-tax services have been performed by the audit firm.

f. Overseeing internal control over financial reporting
   The Audit Committee will annually review the internal controls with the CFO and auditors including their respective assessment of internal controls and the resolution of any known material weakness. The purpose of this review is to provide reasonable assurance about the organization’s financial reporting reliability, compliance with applicable laws and regulations, and effectiveness and efficiency of operations. This review will also encompass any data systems used in compiling financial data with emphasis placed on system security and functionality of the system.

g. Access to Bar Staff
   The Audit Committee shall have unrestricted access to any members of the Staff and any records of the Bar as they may deem necessary or convenient to the performance of their duties.

h. Taking and processing complaints as provided for in Section IV of this manual, relating to potential or actual fraud and financial irregularities.
   1. The Audit Committee shall have the authority to take complaints or reports concerning accounting and internal control practices, and suspected fraud or irregularities that affect the finances of the Bar. It shall also have authority to investigate such complaints or reports as the Committee deems appropriate. The Committee shall have the authority to retain outside expert assistance for any such investigation, as the Committee deems appropriate.
   2. The Audit Committee will develop and adopt a written policy specifically designed to foster prompt reporting and investigation of potential accounting, internal control or other financial improprieties, and to protect those who bring those issues to the attention of the Committee so that they may do so without fear of retribution. The Committee will conduct such investigations as discretely as possible under the circumstances, but will report the outcome of any such investigation that results in adverse findings to the President and the Board.
i. Reporting to the Board

After each Audit Committee meeting, the Audit Committee shall report its current activities and findings to the Board of Governors.

General Provisions Relating to Audit and Finance Committees

1. The chairs of the Audit and Finance Committees may be the same person and should be selected from among the Board members based on their expertise and qualifications in subjects such as accounting, finance, and auditing, budgeting, and internal controls. These qualifications are most likely found in Board members who are certified public accountants or who have similar qualifications. The Chairs of these committees should, ideally, serve for three years or more. The Chair(s) should be appointed by the President, subject to approval by the Board of Governors. The Treasurer should serve as Vice-Chair of both committees to become familiar with the finances of the Bar, and the audit and internal control practices.

2. Staff Participation and Advisors. To some extent, both of these Committees exercise delegated authority of the Board of Governors and should be comprised only of Board members. Non-Board members may, at the discretion of the Committees, serve as non-voting advisors, as appropriate. The CFO will serve both Committees in an advisory role, and shall work with and report to them as indicated in the Manual, but shall not vote. Other Bar staff designated by the CFO or Executive Director shall provide staff support for the Committees and may also serve in an advisory capacity, as appropriate.

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2 Supreme Court Rule 32(d)(6) provides, *inter alia*, that the “Board shall…6. Appoint from time to time one or more executive committees composed of members of the board and vest in the executive committees any powers and duties granted to the board as the board may determine.”