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

FROM:  Marina B. Jacks  

SUBJECT:  Summary of Action of the August 2011 Board of Governors Meeting  

DATE:  August 17, 2011  

Attached is the Summary of Action of the August 4-5, 2011, meeting of the Board of Governors held at the Fairmont Royal York in Toronto, Ontario, Canada. This Summary does not constitute official Minutes of the meeting. Minutes will be presented to the Board for approval at the next meeting, in October 2011.

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

CC:  Board of Governors  

Attachment
1. **REPORTS OF OFFICERS AND THE EXECUTIVE DIRECTOR**

The Board received the reports of the President, President-elect, Chair of the House of Delegates, Immediate Past President, Secretary, Treasurer and Executive Director. The minutes of the Board's June 11, 2011, meeting in San Diego, California, were approved with one correction, and the minutes of the July 14, 2011, Board meeting (by mail ballot) were approved as presented. The minutes of the Executive Committee’s meeting of August 3, 2011, meetings of June 21 and July 20, 2011 (by conference call), and meeting of July 13, 2011 (by mail ballot), were received.

2. **MATTERS FOR DIRECT BOARD ACTION**

2.1 **House Reports**

The actions of the Board on Reports with Recommendations to the House of Delegates are reported in the Board’s Transmittal Report to the House of Delegates, #177A. Copies of Report #177A are available from the Division for Policy Administration.

2.2 **Request for Adoption of Memorial Resolution for Former Board Member John C. Deacon**


2.3 **ALI-ABA Presentation**

The Board received a report from Maury B. Poscover, President of ALI-ABA Continuing Professional Education (ALI-ABA), and Julene Franki, ALI-ABA Executive Director. Mr. Poscover referenced the ALI-ABA written report included in the agenda materials and also highlighted the following: a) The ALI-ABA budget is sound. In FY2010-2011, ALI-ABA expects over $1.2 million in net revenue from its Courses of Study and live webcasts, an increase of approximately $900,000 over FY2009-2010. At the end of May 2011, ALI-ABA's reserve was more than $3 million. b) In Mr. Poscover's opinion, the ABA's greatest work product comes from its sections. However, in spite of the outstanding efforts of current Standing Committee on Continuing Legal Education Chair David Hilgers and former Chair Steven Weise, most sections do not use ABA-CLE for their programs. Ms. Franki expressed her appreciation to Mr. Poscover for his excellent leadership.
2.4 Continuation of Board Entities

The Board approved the continuation of entities created by the Board whose assignments were ongoing, and discontinued those that had completed their tasks.

2.5 Continuation of Special Committees and Commissions

The Board approved its recommendations to the House of Delegates regarding the continuation and discontinuation of special committees and commissions. The recommendations are set forth in the Board's Transmittal Report to the House, #177A. Copies of Report #177A are available from the Division for Policy Administration.

2.6 Request to Elect Directors of the James O. Broadhead Corporation

The Board re-elected Wm. T. Robinson III, and elected Laurel G. Bellows, Lucian T. Pera, and the Honorable Cara Lee T. Neville to the Board of Directors of the James O. Broadhead Corporation (Corporation). The Corporation holds title to the ABA's building in Washington, DC. Pursuant to the Corporation's Bylaws, the ABA Board of Governors elects the Directors of the Corporation. The Directors of the Corporation then convene to elect the Officers of the Corporation.

2.7 Presentation and Discussion Regarding International Activities and Initiatives

At President Zack's request, the Board heard a comprehensive presentation regarding international activities and initiatives. James W. Swanson, Senior Director-DC Operations, introduced the presentation, which included the following speakers: a) Salli Swartz, Chair, Section of International Law; b) Michael S. Greco, Co-Chair, Center for Human Rights; c) Robert J. Grey, Jr., Chair, Rule of Law Initiative (ROLI), and d) Carolyn B. Lamm, ABA Immediate Past President and U.N. Representative. Ms. Swartz, Mr. Greco, and Mr. Grey discussed the major projects and initiatives of their respective entities, and Ms. Lamm provided an overview of the ABA's work as a registered non-governmental organization at the United Nations. In addition, the Board was provided with reference materials from some of the presenters and also viewed a video from ROLI.

Thereafter, Mr. Zack thanked each of the presenters for their remarks and stated that because of its wide-ranging international activities and initiatives, the Association is held in high regard around the world.

2.8 Presentation Regarding Grassroots Activities

Mark H. Tuohey III, Chair of the Standing Committee on Governmental Affairs, discussed generally with the Board the steps the Standing Committee and Governmental Affairs Office (GAO) have taken to better communicate ABA policy positions to and enhance relationships with members of Congress and their staffs, including the use of Webinars, the improvement of the GAO Website, and coordination with the Division for Communications and Media Relations.

Thereafter, Thomas M. Susman, Director of the GAO, presented an overview of ABA Grassroots Activities. The ABA, through the GAO, works closely with Congress and the
Executive Branch on a daily basis. However, effective contacts from ABA members as well as state and local bar leaders, in their roles as local community leaders, lawyers and voters, are an integral part of the Association's lobbying efforts and a major reason for the ABA's success on Capitol Hill. The "Grassroots Action Team" is a network of ABA members who are knowledgeable about legislative issues that impact the justice system. Team members often communicate with their own Members of Congress through personal meetings and correspondence to educate them on issues of importance to the legal profession.

2.9 Status Report From the Commission on Ethics 20/20

Jamie S. Gorelick, Co-Chair of the Commission on Ethics 20/20, presented a status report on the Commission's work. The Commission was created in 2009, at the request of then President-elect Carolyn B. Lamm, to perform a thorough review of lawyer ethical rules and the system of lawyer regulation in light of the technological advances and globalization that has changed the way law is practiced since the Ethics 2000 Commission performed the last comprehensive review of the Model Rules of Professional Conduct (Model Rules), beginning in 1997. The Commission has concluded that the principles in the current Model Rules are applicable to changes that have occurred in the practice of law and is recommending clarifications of existing Model Rules rather than a complete revision. By September 2011, the Commission will have published for comment all of its policy proposals regarding the following topics: a) Technology (Confidentiality), b) Technology (Client Development), c) Uniformity, Conflicts of Interest, and Choice of Law, d) Outsourcing, e) Alternative Litigation Financing, f) Alternative Business Structures, and g) Inbound Foreign Lawyers. The Commission intends to file its recommendations with the House of Delegates for the 2012 Annual Meeting.

Ms. Gorelick informed the Board the Commission fulfilled its mandate to examine lawyer and law firm ratings and rankings by filing an Informational Report with the House of Delegates. It concluded that no changes to the Model Rules are necessary but that the profession and public would benefit from an ABA Formal Ethics Opinion on the issue.

Ms. Lamm and Ms. Gorelick encouraged all members of the Board to review and comment on the Commission's policy proposals by December 2011. Ms. Gorelick also requested that Board members, in their liaison capacities, ask the entities to which they liaise to review and provide comments on the proposals.

2.10 Presentation From the National Conference of Bar Presidents

The Board heard a presentation from James P. Nolan, President of the National Conference of Bar Presidents (NCBP), and Frederic S. Ury, NCBP President-elect. The NCBP was established in 1950 to provide information and training to state and local bar association leaders. The current organizational members of NCBP include state, local and specialty bars from 53 states and territories and members include past bar leaders from these jurisdictions. Although the ABA Division for Bar Services provides administrative and programmatic support to the NCBP, as well as to the National Association of Bar Executives (NABE) and the National Conference of Bar Foundations (NCBF), there appears to have been a lack of ongoing dialogue between the ABA and NCBP, NABE and NCBF. President Zack, Mr. Nolan, and Mr. Ury each expressed the
hope that the organizations will find increased opportunities to collaborate on joint
initiatives. President Zack suggested that the NCBP report to the ABA Board annually.
Mr. Zack also stated that, in his opinion, increased collaboration among the ABA, NCBP,
NABE, and NCBF could demonstrate clearly the value of the ABA to state, local and
specialty bar associations.

2.11 Consent Calendar: Report of Board Committee Chairs

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

2.12 Fund for Justice and Education

The Board, sitting as the members of the Board of the American Bar Association Fund
for Justice and Education (ABA/FJE) a) approved the minutes of the June 11, 2011,
meeting of the ABA/FJE Board as presented and b) accepted the ABA/FJE restricted
grants and contributions received or awarded through June 30, 2011, and not previously
reported, as requested by the Association's Financial Services Division.

2.15 National Judicial College

The Board, sitting as the Members of the National Judicial College (NJC), heard a
presentation from the Honorable William F. Dressel, President of the NJC, which
highlighted the courses that NJC will offer during the remainder of 2011, including
"Management Skills for Presiding Judges" and "Advanced Tribal Skills," as well as
some of the special and innovative programs that are conducted annually on topics such
as "The Fourth Amendment: Comprehensive Search and Seizure Training for Trial
Judges," "Essential Skills for Appellate and Trial Judges," and "Designing and
Presenting Programs Effectively/ Faculty Development."

2.17 American Bar Association, an Illinois Not-for-Profit Corporation – Election of
Directors

In February 2008 the ABA Articles of Incorporation were amended to designate the
members of the Board of Governors as members of the American Bar Association, an
Illinois Not-for Profit Corporation. The Board, as members of the American Bar
Association, an Illinois Not-for Profit Corporation re-elected Wm. T. Robinson III and
elected the Honorable Cara Lee T. Neville and Laurel G. Bellows to serve as directors
on the Board of Directors of the incorporated Association.
2.18  Resolution Regarding General Revenue FY2011

The Board, at the recommendation of the Executive Committee, adopted the following resolution:

RESOLVED, that an aggregate amount be allocated to FY2011 General Revenue in accordance with ABA Funds and Related Policies in addition to the amount previously allocated from the Dues Warehouse Fund.

FURTHER RESOLVED, that any excess of revenues over and above expenses for FY2011 be allocated to the Dues Warehouse Fund.

FURTHER RESOLVED, that the Deputy Executive Director and Chief Financial Officer be and is hereby authorized to take such action as is necessary and appropriate to implement these recommendations.

Executive Session

In executive session, the Board discussed matters relating to executive compensation.

3.  OPERATIONS AND COMMUNICATIONS COMMITTEE

A.  MATTERS FOR REVIEW BY THE BOARD

3.1  Requests for Bylaw Amendments

a.  Criminal Justice Section

The Board approved the request of the Criminal Justice Section to amend its bylaws to permit former Section chairs to serve as Section Council members for the five years following the end of their term as Last Retiring Chair.

b.  General Practice, Solo and Small Firm Division

Subject to approval of the Division membership on August 6, 2011, the Board approved the request of the General Practice, Solo and Small Firm Division to amend its bylaws to update and conform them to current policy and practice. In pertinent part, the amendments i) change the entity name from "General Practice, Solo and Small Firm Section" to "General Practice, Solo and Small Firm Division" pursuant to action of the House of Delegates in 2005, ii) define the categories of membership in the Division and outline the privileges and restrictions of each membership category, iii) clarify the succession of officers, and iv) clarify and expand provisions regarding Division elections and campaign practices. The proposed amendments were approved by the Division Council on May 14, 2011.

c.  Tort Trial & Insurance Practice Section

Subject to approval of the Section membership at its annual business meeting on
August 8, 2011, the Board approved the request of the Tort Trial & Insurance Practice Section to amend its bylaws, in pertinent part, to i) correct the Section's name, ii) clarify the Section’s purpose, iii) clarify nominating procedures and address electronic filings, iv) provide that Council activity may be conducted by telephone or electronic means, and v) reflect current Section operations. The proposed amendments were approved by the Section Council on October 14, 2010.

3.2 Nominations

Standing Committee on Audit

The Board elected G. Nicholas Casey, Jr. of West Virginia to complete the unexpired term of Charles E. English, Jr. on the Standing Committee on Audit, effective from the conclusion of the 2011 ABA Annual Meeting through the conclusion of the 2012 ABA Annual Meeting. Mr. English will Chair the Board of Governors’ Finance Committee and serve as Liaison to the Audit Committee in FY2011-2012.

3.3 Requests to Establish Awards

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

a. Center for Children and the Law: to establish the Mark Hardin Award for Child Welfare Legal Scholarship and Systems Change to recognize an individual attorney or judge whose work is distinguished in the field of legal scholarship and/or major law and policy reform related to abused and neglected children. The award will consist of a plaque valued at less than $200. The first award will be presented by the Center no earlier than August 2011.

b. Law Student Division: to establish the Law Student Advocate Award to recognize law students, law student organizations, academics, lawyers, legislators, law schools or other institutions, organizations, or individuals in the legal profession who have demonstrated extraordinary service to, and advocacy on behalf of, law students and who have demonstrated a commitment to improving the lives of law students. The award, a plaque valued at approximately $200.00 - $500.00, will be presented at the Law Student Division Assembly held during the ABA Annual Meeting.

c. Tort Trial & Insurance Practice Section (TIPS): to i) establish the “ABA Tort Trial and Insurance Practice Section Law Student Writing Competition on Disaster Preparedness and Response” during the 2011-2012 Association Year to accompany the Section’s themed programs on Disaster Preparedness and Response and ii) co-sponsor the competition with Thompson Reuters West. The competition is open to any law student in good standing, over the age of 18, who is currently attending one of the selected law schools in the cities where TIPS will hold its quarterly meetings. The first prize winner at each law school will receive a $250.00 cash award and certificate. The second and third prize winners will each receive a certificate. The authors of the winning papers from each law school will attend the Disaster Preparedness and Response CLE Program and reception in their respective city. Thomson Reuters West and TIPS, out of Section funds, will split equally the funding for the cash prize.
3.4 Commission on Domestic Violence Request to Change Name and Amend Jurisdictional Statement

The Board approved the request of the Commission on Domestic Violence to change its name to the “ABA Commission on Domestic and Sexual Violence” and to replace the phrase “domestic violence” with “domestic and sexual violence” in its jurisdictional statement.

3.5 Request to Revise Jurisdictional Statements of ABA Rule of Law Initiative and ROLI Councils

The Board deferred to the October 2011 meeting of the Board the request of the ABA Rule of Law Initiative (ABA ROLI) to revise the jurisdictional statements of ABA ROLI, the Africa Law Initiative Council, the Asia Law Initiative Council, the Central European and Eurasian Law Initiative Council, the Latin America and Caribbean Law Initiative Council, and the Middle East and North Africa Law Initiative Council to permit further study of the proposal by affected entities.

3.6 Consideration of Revised Requests for Renewal of Technical Commenting Authority Which Originally Expired in June 2011 and Notifications to Serve as Reviewing Entities for These Revised Technical Comments

a. Revised Requests for Renewal of Technical Commenting Authority That Originally Expired in June 2011

The Board approved, as submitted, the revised requests of i) the Section of Antitrust Law and ii) the Section of Real Property, Trust and Estate Law (RPTE) (for its Trust and Estate Division and its Real Property Division) for renewal of technical commenting authority under the Blanket Authority Procedure, for the three-year period beginning August 2011 and concluding June 2014.

In June 2011, the Board declined to approve the requests for renewal of technical commenting authority submitted by the sections of Antitrust Law and RPTE and asked the sections to submit at the August 2011 meeting of the Board revised requests that are more narrowly tailored to each section’s jurisdiction.

b. Notifications to Serve as Reviewing Entities for Technical Comments

In accordance with the Blanket Authority Procedure, the Operations and Communications Committee also received notifications that the sections of Administrative Law and Regulatory Practice; Business Law; Environment, Energy, and Resources; Intellectual Property Law; International Law; Labor and Employment Law; Public Utility, Communications and Transportation Law; and Science and Technology Law wish to serve as reviewing entities for the revised technical comments submitted by the Section of Antitrust Law and/or RPTE. The notifications were received for informational purposes. No action was required of the Board of Governors.
3.7 **Section of Legal Education and Admissions to the Bar Request to Join the Association of Specialized and Professional Accreditors (ASPA)**

The Board approved the request of the Section of Legal Education and Admissions to the Bar to join the Association of Specialized and Professional Accreditors (ASPCA). In approving the request, the Board understood that the annual membership dues of $6,000.00 will be paid from the accreditation budget, and no ABA general revenue is requested or required.

3.8 **Requests to Enter into Memoranda of Understanding with Outside Organizations**

a. **Canadian Bar Association**

The Board approved the terms of a proposed memorandum of understanding (MOU) (“Memorandum of Mutual Cooperation”) between the ABA and the Canadian Bar Association (CBA), for anticipated execution by the parties during the 2011 ABA Annual Meeting in Toronto, as requested by President Zack. The leadership of the CBA expressed an interest in entering into an MOU with the ABA to further cooperation and advance common interests, as resources permit, through joint initiatives including training programs, seminars, research projects and membership development.

b. **International Finance Corporation**

Subject to review and approval by the Office of the General Counsel, the Board approved the request of the Section of International Law to enter into a memorandum of understanding with the International Finance Corporation (IFC), a not-for-profit international institution and member of the World Bank Group, for the purpose of working jointly to raise awareness of ADR and mediation within developing countries, to be in effect for two years upon signature by the parties. In addition, the Board suggested that the Section of International Law consult with the Section of Dispute Resolution regarding similar programs that the Section of Dispute Resolution may develop or provide.

c. **Union Internationale des Avocats**

Subject to review and approval by the Office of the General Counsel, the Board approved the request of the Section of Litigation to enter into a memorandum of understanding with the Union Internationale des Avocats, for a term of one year upon signature by the parties, for the purpose of mutual cooperation, to include the appointment of liaisons, website promotion, cross promotion of certain meetings, and exchange of publications.

3.9 **Commission on Women in the Profession Request Regarding the Fifth World Conference on Women in 2015**

The Board approved the request of the Commission on Women in the Profession that a) the ABA support efforts to encourage the United Nations to hold the Fifth World Conference on Women in 2015 and, b) if the Fifth World Conference takes place, the Commission be authorized to participate.
3.10 Recommendation Regarding Settlement Authority

The Board deferred to the October 2011 meeting of the Board the request to adopt a policy regarding authority for the settlement of litigation. Deferral will permit the appointment of an advisory group comprised of three members of the Operations and Communications Committee to work with the General Counsel to craft a policy for settlement authority that includes additional provisions pertaining, in part, to reserves, liability, and disclosure to the Board.

3.11 Standing Committee on Membership and Section of International Law Request Regarding City Chapters

The Board approved the request of the Standing Committee on Membership and the Section of International Law to create International City Chapters for the purpose of membership outreach. The City Chapters will act as “meeting points” for ABA members, and potential members and also serve as “host committees” for ABA leadership visits and meetings. The City Chapters will develop their own agendas, activities and events but will operate according to the general guidelines set forth in the request. The first cities to develop City Chapters will include Toronto, Buenos Aires, London, Sao Paulo, Sydney, Paris, Seoul, Shanghai and Mumbai.

3.12 President Zack's Request for the Continuation of the Commission on Civic Education in the Nation's Schools, Commission on Hispanic Legal Rights and Responsibilities and Task Force on the Preservation of the Justice System

The Board approved President Zack’s request for the continuation of the Commission on Civic Education in the Nation’s Schools, the Commission on Hispanic Legal Rights and Responsibilities and the Task Force on the Preservation of the Justice System through the 2011-2012 Fiscal Year to allow more time for the entities to complete their work. In approving the request, the Board understood that general revenue funding to support the work of the entities in 2011-2012 has been budgeted for and approved, and no additional general revenue is requested or required.

3.13 NEW ITEM: Request for Creation of Task Force on Solo and Small Firm Membership Development

The Board approved President-elect Robinson's request for the creation of a Task Force on Solo and Small Firm Membership Development comprised of nine members as follows: three (3) members, including the task force chair, appointed by the President-elect; four (4) members recommended by the General Practice, Solo and Small Firm Division Chair-elect, with approval of and appointment by the President-elect; and two (2) members recommended by the Section Officers Conference Chair-elect, with approval of and appointment by the President-elect. The Task Force will provide member leadership to the structure and development of the Solo and Small Firm Center as a portal to serve the interests of solo and small firm practitioners and enhance ABA membership of solo and small firm practitioners.
B. MATTERS OF INDEPENDENT JURISDICTION

3.21 Requests for Co-Sponsorships

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


b. Section of Antitrust Law (Four Requests)
   i. to continue co-sponsorship and administration of the Janet D. Steiger Fellowship Project with state Attorneys General offices in 2012, 2013 and 2014. The Project has been approved by the Board each year since 2004.
   ii. to co-sponsor "Why Antitrust" programs with certain ABA approved law schools and other international schools (listed in the request) as potential co-sponsors during the 2011-2012 Association Year.
   iii. to co-sponsor, on behalf of the Section's Membership & Equal Opportunity Committee and other Section committees, several membership outreach events with certain law firms (listed in the request) during the 2011-2012 ABA fiscal year. Exact event dates have not yet been determined.
   iv. to co-sponsor a United States Chamber of Commerce (USCC) antitrust training program for members of the three national antitrust authorities in China, as well as Chinese academics from leading universities who provide advice on antitrust issues, November 15-16, 2011, in Washington, DC, immediately preceding the Section’s Fall Forum.

c. Section of International Law: to co-sponsor the World Bank’s Legal Vice Presidency’s upcoming Law, Justice, and Development Week 2011.

d. Section of State and Local Government Law: to invite Section members to participate in a People to People Citizen Ambassador Program Rule of Law Delegation of lawyers traveling to China in May 2012. The Delegation leader is a former Section Chair. Section members who participate in the delegation will be asked to promote Section activities.


3.16 Section of Antitrust Law Request for Approval of Brown Bag Programs Co-Sponsored With Certain Outside Entities in 2011-2012

The Operations and Communications Committee approved the request of the Section of Antitrust Law to co-sponsor Brown Bag programs with all state and local bar associations and 100 additional outside entities (listed in the request) as potential co-sponsors in 2011-2012.
4. PROGRAM, EVALUATION AND PLANNING COMMITTEE

A. MATTERS FOR REVIEW BY THE BOARD

4.1 Requests for Creation of Program Support Funds

a. Special Committee on Bioethics and the Law

The Board approved the request of the Special Committee on Bioethics and the Law for the creation of a Program Support Fund (PSF). Initially, the proposed PSF will be used to help offset the reduction in general revenue funding for the Special Committee and will permit the Special Committee to continue and expand its programming and publication efforts and to begin fundraising efforts. Eventually, the Special Committee intends to use the PSF as a self-sustaining source of funding for CLE programs produced as part of its Board-approved partnerships with external entities.

b. Standing Committee on Substance Abuse

The Board approved the request of the Standing Committee on Substance Abuse for the creation of a Program Support Fund (PSF). Initially, the proposed PSF will be used to help offset the reduction in general revenue funding for the Standing Committee as well as the loss of a staff director and will assist the Standing Committee to continue and expand its programming and publication efforts and to begin fundraising efforts. In addition, it is anticipated that the Standing Committee will become part of the Health Law Section in FY2012 and the Standing Committee intends to bring the PSF to the Section.

4.2 Request for Reinstatement of Funding for the ABA Enterprise Fund for FY2012-2013

The Board approved the request of the Program, Evaluation and Planning Committee to reserve $350,000.00 in funding for the ABA Enterprise Fund beginning with the FY2013 budget year and on an annual basis thereafter.

4.3 NEW ITEM: Request for Reconsideration and Approval of Budget Appeal by the Center for Human Rights

The Board reconsidered and approved the budget appeal of the Center for Human Rights as presented in June 2011. The additional funds will support the increased project development of the Center upon its receipt of nearly one million dollars in new external grant funding, (with the strong likelihood of receipt of an additional one million dollars in funding), as well as its ABA-wide role in facilitating the Association's human rights-related activities.

B. MATTERS OF INDEPENDENT JURISDICTION

None for consideration.
5. FINANCE COMMITTEE

A. MATTERS FOR REVIEW BY THE BOARD

5.1 Approval of Consolidated FY2012 Budgets

The Board approved the a) Fiscal Year 2012 Consolidated ABA Budget, b) ABA General Operating Budget (including the amount of the Center for Human Rights budget appeal – See NEW ITEM 4.3 above), c) Sections’ Operating Budget, d) James O. Broadhead Budget, and d) Gifts and Grants Budget, as presented to the Finance Committee at the August 2011 Board meeting. The Board’s approval is subject to such changes in the Sections’ Operating Budget as may be properly approved by the Sections, such changes not to result in an aggregate increase or decrease in that budget of more than ten percent of the aggregate budget as approved hereby, and, in the case of the ABA General Operating Budget insofar as it authorizes expenditures by Membership and Marketing up to a specified amount for a new e-mail delivery service, such authorization shall be contingent upon recommendations from the Standing Committee on Membership and the Standing Committee on Technology and Information Systems.

In addition, the Board approved the Fiscal Year 2012 Capital Budget as presented to the Finance Committee at the August 2011 Board meeting, provided that the amount of funding approved for the CLE Growth Initiative shall be contingent upon an evaluation of the necessity for such expenditures following further discussions with ALI-ABA.

5.2 A-E-F-C Pension Plan Administration Committee Recommendation Regarding Cash Contribution to Pension Plan

The Board approved a contribution to the trust fund of the A-E-F-C Pension Plan (Plan) by September 15, 2011 for the 2010 Plan year and an additional contribution, at the discretion of the Deputy Executive Director and Chief Financial Officer, less the appropriate amount for early payment to the trust fund of the Plan prior to September 15, 2012 for the 2011 Plan year.

Further, the Board approved and ratified the use of as much of the Plan’s “Credit Balance” as is needed and legally allowed to meet the Plan’s quarterly cash contribution requirements due on July 15, 2011, October 15, 2011, and January 15, 2012.

Further, the Board elected to authorize the Plan’s 2011 Shortfall Amortization Base over 15 years, as permitted by Pension Funding Relief and continue to use 24-month average smoothing, as the method to value Plan assets for the 2011 Plan year.

5.3 Standing Committee on Audit Request to Approve FY2012 Internal Audit Plan

The Board approved the Internal Audit Plan for FY2012 as presented to the Finance Committee at the August 2011 Board meeting.

5.4 Recommendation Regarding Credit Cards
The Board approved the use of corporate credit cards issued by JPMorgan Chase & Co, American Express, or Bank of America as determined by the Executive Director and the Deputy Executive Director and Chief Financial Officer, all as more fully described in the August 2011 agenda materials of the Board and subject to such limitations as the Executive Director and the Deputy Executive Director and Chief Financial Officer shall jointly determine to be in the best interests of the ABA. The types of corporate credit cards approved shall include:

a) a corporate card for use for ABA related expenses by ABA employees authorized by the Executive Director or the Deputy Executive Director and Chief Financial Officer;

b) a corporate purchasing card for use by ABA employees authorized by the Executive Director or the Deputy Executive Director and Chief Financial Officer for purchasing goods and services; and

c) a series of single-use cards for use by ABA employees authorized by the Executive Director or the Deputy Executive Director and Chief Financial Officer for purchasing goods and services.

In connection with the use of such corporate credit cards, the ABA shall institute such program and front end controls as are deemed desirable by the Executive Director, Deputy Executive Director and Chief Financial Officer, and the ABA Treasurer with notice of adoption of these controls to be promptly provided to the Audit and Finance Committees.

5.5 Request to Approve Grant Thornton as Outside Auditor

The Board approved the engagement letter between Grant Thornton LLP and the ABA dated July 21, 2011 substantially in the form presented at the August 2011 Board meeting, with such changes as are approved by the Chair of the Standing Committee on Audit. The engagement letter provides for the engagement of Grant Thornton LLP to audit the consolidated financial statements of the ABA as of August 31, 2011 and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended and to conduct an audit of the ABA’s compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the ABA’s federal programs for the year ended August 31, 2011.

5.6 Requests to Contribute Funds to Outside Organizations

a. Forum on the Construction Industry

The Board approved the request of the Forum on the Construction Industry to contribute $500.00, from Forum funds not derived from member dues, to the Multiple Myeloma Research Foundation in memory of Terry J. Galgansi, a Forum Governing Committee member, who passed away June 22, 2011.

b. Section of Environment, Energy, and Resources
The Board approved the request of the Section of Environment, Energy, and Resources to contribute $10,000.00, from Section funds not derived from member dues, to the World Justice Project for the 2010-2011 Fiscal Year.

5.7 NEW ITEM: Board Committee on Operating Reserves

The Board approved the creation of a Board Committee to study and recommend to the Board the best way to establish on the ABA books and records an operating reserve (consistent with good business and accounting principles) to be initially funded with the balance (at that time) in the dues warehouse.

B. MATTERS OF INDEPENDENT JURISDICTION

None for consideration.