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MEMORANDUM

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

FROM: Marina B. Jacks

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

DATE: August 20, 2010

Attached is the Summary of Action of the August 5-6, 2010, meeting of the Board of Governors held at the San Francisco Marriott Marquis in San Francisco, California. 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 2010.

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

CC: Board of Governors

Attachment

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

**San Francisco Marriott Marquis
San Francisco, California
August 5-6, 2010**

1. REPORTS OF OFFICERS AND THE EXECUTIVE DIRECTOR

The Board received the reports of the President, President-elect, Chair of the House of Delegates, Immediate Past President, Secretary, Treasurer and Executive Director. The minutes of the Board's June 5, 2010, meeting Washington, DC were approved with one correction, and the minutes of the July 15, 2010, Board meeting (by conference call) were approved as presented. The minutes of the Executive Committee's meetings of June 10 (conference call), June 30 (in person and e-mail ballot), July 13 (conference call), July 29 (conference call) and August 2 (conference call), 2010, 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 Report from the Non-Dues Revenue Committee

a. Presentation from Chair of Non-Dues Revenue Committee

John Hardin Young, Chair of the Board of Governors Non-Dues Revenue (NDR) Committee, presented to the Board an overview of the NDR Committee's work as well as initiatives to enhance revenues derived from continuing legal education. In December 2009, at the request of President Lamm and the NDR Committee, representatives of the various entities of the ABA who have an interest in the delivery of continuing legal education met as "stakeholders" to consider and evaluate potential options for the delivery of CLE by the ABA. The stakeholders concluded that there were a number of different strategies that could potentially enhance revenues derived from the ABA Center for CLE, including engaging in joint ventures with outside organizations and working with interested entities to license their offerings to other CLE providers.

In June 2010, the Standing Committee on Continuing Legal Education presented and requested that the Board approve the Center for Continuing Legal Education 2010-2015 Strategic Plan (Plan). The Board received the Plan as an interim Plan and directed the Standing Committee on Continuing Legal Education to consider and evaluate the Plan, to make adjustments and make recommendations to the Board at the 2010 Annual Meeting.

b. Report and Recommendations Regarding Continuing Legal Education Business Model

The Board adopted a policy resolution dated August 6, 2010, which contains seven specific provisions, and directs the Standing Committee on Continuing Legal Education and the Center for CLE to continue to move forward in a transparent and accountable manner with its reorganization and restructuring plans in cooperation with the sections and other entities of the ABA who use the Center to provide CLE programming and related course materials, and to adjust its plans as necessary to maximize the delivery of the highest quality CLE programming and related materials to the membership of the ABA and others in the legal community.

2.3 ALI-ABA Presentation

Maury B. Poscover, President of ALI-ABA Continuing Professional Education (ALI-ABA), and Julene Franki, ALI-ABA Executive Director, presented a report on ALI-ABA's current activities and highlighted the following: a) Strategic Plan Update: In May 2010 the ALI-ABA Board adopted revised goals, action items and critical success indicators. Collaboration with the ABA has been a primary goal; b) Summit Initiatives Committee: The Critical Issues Summit, Equipping Our Lawyers: Law School Education, Continuing Legal Education, and Legal Practice in the 21st Century, which was also sponsored by ABA-CLE, was held in October 2009. Following the Summit, final recommendations and a final report were issued. A Summit Initiatives Committee has been meeting to implement the final report and to produce a communications plan for maintaining contact with key stakeholders such as ABA entities; c) 2010-2011 Budget: ALI-ABA has taken significant steps to reduce expenses without reducing its ability to deliver high quality product. ALI-ABA's 2005 Strategic Plan directed ALI-ABA to invest significantly and quickly in technology products and marketing. Nearly fifty percent of ALI-ABA's revenue in 2010-2011 will come from products that were developed as a result of that directive. The current budget involves more investment in technology and marketing, particularly investment in the ALI-ABA "Knowledge Portal," a business-to-business subscription based product tailored to individual client needs and budgets; d) Collaborative Efforts Between ALI-ABA and the ABA: In July 2010 representatives of ALI-ABA and the ABA met to explore increased collaboration between the two entities. ABA representatives at the meeting were provided with a copy of the document *History of ALI-ABA*, which was included in the August 2010 Board agenda books.

On behalf of the Board, President Lamm commended the ALI-ABA and ABA representatives who attended the July 2010 meetings for their excellent work in enhancing the relationship between the two organizations.

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 a) concurred with the recommendation of the Committee on Scope and Correlation of Work (SCOPE) that the Coalition for Justice be sunset at the conclusion of

the 2010 Annual Meeting and the work of the Coalition be subsumed into the Justice Center; b) however, the Board continued the Special Committee on Bioethics and the Law for one additional year; and c) approved the remaining recommendations to the House of Delegates regarding the continuation and discontinuation of special committees and commissions 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 Stephen N. Zack, Alice Richmond, and the Honorable Bernice B. Donald, and elected Wm. T. Robinson III, to the Board of Directors of the James O. Broadhead Corporation, the entity that holds title to the ABA's building in Washington, DC.

2.7 Memorial Resolution for Board Member Steven C. Krane

The Board passed a memorial resolution recognizing the accomplishments, standards and achievements of Board member Steven C. Krane of New York, who passed away unexpectedly on June 23, 2010.

2.8 Presentation Regarding Rule of Law Initiative

This presentation was not given.

2.9 Discussion Regarding the ABA Tagline

David Hernandez, Managing Director, Executive Creative Director, Ogilvy and Mather, and Mark Skroch, Partner, Account Director, Ogilvy and Mather, presented a Power Point that provided a status report regarding Ogilvy's work on behalf of the ABA and the Membership Growth Initiative. The scope of work to be undertaken involves 12 projects. Two projects are completed, seven are in progress, and three begin in the near future. The projects include brand positioning, website redesign, data infrastructure, e-mail contact rules/infrastructure, products and services strategy, communications strategy and calendar, and digital strategy.

Thereafter, the Board approved "For Justice and its Champions" as the new ABA tagline, to replace "Defending Liberty, Pursuing Justice."

2.10 Presentation From the Task Force on Federal Pleadings Standards

Lorna G. Schofield, Chair of the Task Force on Federal Pleadings Standards, presented a report on the work of the Task Force. The Task Force was created in December 2009 in response to concerns expressed by the defense and plaintiffs bars regarding the decisions by the United States Supreme Court in *Bell Atlantic Corp. v. Twombly* and *Ashcroft v. Iqbal*, which tightened the standards by which plaintiffs can bring "implausible" claims. The Task Force was charged with reviewing the current status of federal pleading standards, proposed responses by rule and/or legislation, and recommend ABA policy, as necessary. To date, the Task Force has studied two basic issues: a) the substance of the standard (i.e., what the standard should be) and b) what

body should determine the standard (e.g., the United States Supreme Court, Congress, or the Civil Rules Advisory Committee.)

2.11 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 regarding the Commission's work. The Commission was created at the request of President Lamm to review the Model Rules of Professional Conduct and the U.S. system of lawyer regulation in response to concerns that technological changes and globalization present to clients, lawyers, law firms, and the public. The Commission's work is guided by three principles: protection of the public; preservation of core professional values; and the maintenance of a strong, independent and self-regulated profession. Following the 2010 Midyear Meeting, the Commission formed the following seven Working Groups to facilitate its work: Implications of New Technologies; Domestic and International Outsourcing; Entity Regulation/Alternative Business Structures; Alternative Litigation Financing; Conflicts of Interest, Uniformity, and Choice of Law; Inbound Foreign Lawyers; and Law Firm Ranking. In addition, the Commission has engaged in extensive outreach efforts and collaboration with the judiciary; with state, local, and specialty bar associations; and with the public. On August 5, 2010, during the Annual Meeting, the Commission presented a showcase CLE titled "20/20 Vision: The Impact of Technology and Globalization on Ethics for the 21st Century Lawyer."

Ms. Gorelick acknowledged the exceptional work of the Commission's Board Liaison, Steven C. Krane, who passed away in June 2010. Mr. Krane was recognized as one of the nation's foremost experts in the field of ethics and professional responsibility law. (See Exhibit 2.7 above.)

On behalf of the Board, President Lamm expressed her appreciation to Ms. Gorelick, Commission Co-Chair Michael Traynor, the members of the Commission, and the Commission staff for their outstanding work.

2.12 Report of Task Force on Federal Agency Preemption of State Tort Laws

Edward F. Sherman, Chair of the Task Force on Federal Agency Preemption of State Tort Laws, presented a report regarding the work of the Task Force. Created in January 2009, the Task Force was formed because some members of the ABA suggested that a review of ABA policies on preemption was in order.

The Task Force reviewed all the substantive ABA policies on federal agency preemption, as well as executive and administrative directives, case law, and legislative proposals as they relate to crafting a desirable approach to preemption. It determined that no change in the ABA policies was required and focused on procedural approaches to preemption that might lessen confusion and uncertainty about when federal law preempts state law. The Task Force has submitted Report 117 for consideration by the House of Delegates at the 2010 Annual Meeting. House Report 117 urges Congress to address foreseeable preemption issues clearly and explicitly when it enacts a statute that has the potential to displace, supplement or otherwise affect state tort law. It also urges the President to require an agency to follow four specific procedures before it attempts to preempt state tort law.

2.13 Status Report Regarding the ABA Website

Steven A. Weiss, a member of the ABA Website Oversight Task Force, and ABA Publisher Edward A. Adams presented a status report regarding the redesign of the ABA Website. The Website Redesign Project (Project) is one of Ogilvy and Mather's primary projects for the Association. The goals of the Project are to a) facilitate membership and promote the value of membership through exclusive content and benefits, b) tailor experiences based on target segments and user needs/interests, and c) present a sense of community through the connection of members to each other. In addition, a Website Oversight Task Force was created in February 2010 to work with the relevant ABA entities and staff to develop website guidelines for consideration and approval by the Board and implement the identified improvements and upgrades. Presently, the Task Force is overseeing and assisting with the Project, which has been divided into 13 stages. Six of the 13 stages have been completed. It is anticipated that the Website redesign will be completed by the 2011 Midyear Meeting.

2.14 Executive Session

The Board met in executive session to consider a membership issue.

2.15 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.

2.16 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 5, 2010, meeting of the ABA/FJE Board as presented and b) accepted the ABA/FJE restricted grants and contributions received or awarded through June 2010, and not previously reported, as requested by the Association's Financial Services Division.

2.19 National Judicial College

a. Nomination – Judicial Division Representative on NJC Board of Trustees

See Exhibit 3.2b below.

b. National Judicial College Presentation

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 following: a) the NJC offers an average of 90 courses annually with more than 2,000 judges enrolling from all 50 states, U.S. territories and more than 150 countries; b) through a grant from the State Justice Institute, the NJC, in partnership with the National Center for State Courts, created a curriculum to assist trial judges in understanding the immigration consequences of criminal convictions on both undocumented aliens and legally permanent residents of the United States; and c) the

NJC offered eight distance learning courses in 2010 and plans to increase the number of courses offered in the future. On behalf of the NJC Board of Trustees, Judge Dressel thanked the ABA Board for its ongoing support of the NJC.

2.21 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 of Governors, as members of the American Bar Association, an Illinois Not-for Profit Corporation, re-elected Stephen N. Zack and the Honorable Bernice B. Donald, and elected Wm. T. Robinson III, to serve as directors on the Board of Directors of the incorporated Association.

2.25- INFORMATIONAL REPORTS
2.28

The Board received written informational reports from the Commission on Women in the Profession, the ABA representative to the International Legal Assistance Consortium, the Center for Racial and Ethnic Diversity, and the Commission on Sexual Orientation and Gender Identity.

3. OPERATIONS AND COMMUNICATIONS COMMITTEE

A. MATTERS FOR REVIEW BY THE BOARD

3.1 Requests for Bylaw Amendments

a. Section of Environment, Energy, and Resources

The Board approved the request of the Section of Environment, Energy, and Resources to amend its bylaws to permit any *ex-officio* Council member from an environmental, energy and resources section of a foreign bar association to serve as an *ex officio* member of the Section Council. The proposed amendments were approved by the Section Council on February 6, 2010. Approval of the proposed amendments by the Board is subject to approval by the Section membership at the Section's Annual Business Meeting on August 8, 2010.

b. Section of Real Property, Trust and Estate Law

The Board approved the request of the Section of Real Property, Trust and Estate Law to amend its bylaws, in pertinent part, to i) revise descriptions of various Section standing committees, ii) remove certain policy statements to permit the Section to adopt and modify policies without having to change the bylaws, iii) make the bylaws consistent with Section practice, iv) clarify certain procedures, v) remove internal inconsistencies, vi) clarify the role of the Section Secretary, vii) modify the term limits of Section Delegates and division committee vice chairs, viii) provide procedures for removal of officers or Council members, and ix) specify five matters on which only the Section

Council, and not the Executive Committee, may act. The proposed amendments were approved by the Section Council on May 8, 2010. Approval of the proposed amendments by the Board is subject to approval by the Section membership at the Annual Section Business Meeting on August 7, 2010.

c. Law Student Division

The Board approved the request of the Law Student Division to amend its bylaws to reorganize information for clarity, modernize the language of the bylaws, and reflect current leadership positions and Division practices. The proposed amendments were approved by the Division's Board of Governors on March 20, 2010. Approval of the proposed amendments by the Board is subject to approval by the Law Student Division Assembly on August 7, 2010.

3.2 Nominations

a. Inter-American Bar Association (IABA)

The Board elected Jose (Tony) Santos of Miami Beach, Florida, as the ABA representative to the Inter-American Bar Association (IABA), to serve a three-year term from the fall 2010 IABA Council meeting through the fall 2013 IABA Council meeting.

b. National Judicial College (Judicial Division National Conference of the Administrative Law Judiciary)

The Board, sitting as the Members of the National Judicial College (NJC), elected Honorable Larry J. Craddock as a Judicial Division representative on the NJC Board of Trustees, to serve a three-year term, effective July 2010 through July 2013.

c. Board of Elections

The Board elected i) Honorable Charles T. Canady, Chief Justice of the Supreme Court of Florida, as the Chair of the Board of Elections; and ii) re-elected Louise Michaux Gonzales, Baltimore, Maryland, and Jack Middleton of Manchester, New Hampshire, as members of the Board of Elections, all for one-year terms, effective at the conclusion of the 2010 ABA Annual Meeting.

d. Standing Committee on Audit

The Board elected i) Karl Ege of Seattle, Washington, and James Dimos of Indianapolis, Indiana, for three-year terms on the Standing Committee on Audit, to begin at the conclusion of the 2010 ABA Annual Meeting and conclude at the end of the 2013 ABA Annual Meeting, and ii) Charles E. English, Sr. of Bowling Green, Kentucky, to complete a two-year unexpired term on the Audit Committee, to commence at the conclusion of the 2010 Annual Meeting and end at the conclusion of the 2012 Annual Meeting. These appointments are pursuant to the action of the House of Delegates at the 2005 Annual Meeting revising the composition of the Audit Committee to include three members of the Board of Governors representing each of the three association years of the term of the Board.

The Board was also advised that President-elect Stephen Zack will appoint Renie Grohl of Warren, Ohio, as Chair of the Standing Committee on Audit for the 2010-2011 Association year.

e. A-E-F-C Pension Plan Administration Committee

This item was withdrawn.

3.3 Requests to Establish Awards

a. Forum on the Construction Industry

The Board approved the request of the Forum on the Construction Industry to establish the "Forum on the Construction Industry Student Writing Competition," to be conducted in 2010, 2011, and 2012. The first place winner will receive a cash prize of \$2,500.00, travel expenses (not to exceed \$800.00) and registration to attend the Forum's annual meeting in April where a first prize plaque will be presented (limit of \$200.00), a one-year membership in the Forum, and recognition in the Forum newsletter and on the Forum's website. One or more students may receive honorable mention and will be recognized with a plaque (\$200.00 or less) and such other acknowledgement as the Forum may establish. In approving the request, the Board understood that all costs associated with the writing competition and prizes will be paid with Forum funds.

b. Section of Environment, Energy, and Resources

The Board approved the request of the Section of Environment, Energy, and Resources to establish the "Renewable and Distributed Energy Resources Law Student Writing Competition." Winning entries will be electronically published on the Section's Website in the form of a special newsletter of the Section's Renewable and Distributed Energy Resources ("RADER") Committee. In approving the request, the Board understood that no expenses associated with the competition are anticipated.

c. Law Student Division (Nine Awards)

The Board approved the request of the Law Student Division to establish the following nine awards to recognize individuals, law schools and law school organizations for exemplary service and activities. In approving the request, the Board understood that the cost of the awards will be funded through the Division's approved current year dues budget.

National Awards (Awarded to law schools and law student organizations.)

i) Volunteer Income Tax Assistance Award: Recognizes outstanding law school Volunteer Income Tax Assistance (VITA) programs at ABA approved law schools based on specific criteria. The actual award, a trophy with a maximum value of \$150.00, is presented at the ABA Annual Meeting.

ii) Membership and Activity National Award of Excellence: Recognizes outstanding ABA membership efforts, ABA involvement and activity at ABA approved laws schools. The award is a plaque valued at \$25.00, which is presented at the ABA Annual Meeting.

iii) Law School Newspaper National Award of Excellence: Open to all law school newspapers sponsored or published by student-run organizations at ABA approved law schools. The actual award, a plaque valued at \$25.00, is presented at the ABA Annual Meeting.

Division Awards

iv) Bronze Key: Open to ABA approved law schools. Three Bronze Keys are awarded each year. Criteria include highest raw law student membership number and highest percentage of law student membership as compared to the number of law students enrolled in the law school. The actual awards, plaques valued at \$25.00, are presented at each of the Division's 15 Spring Circuit Meetings.

v) Silver Key: Open to Division and Circuit leaders for outstanding service to the Division. One or more Silver Keys may be presented each year. This is the highest Circuit Award given, and generally only two or three will be awarded each year. The award, which is presented at the ABA Annual Meeting, Spring Board Meeting, or Spring Circuit Meetings, is a plaque with a maximum value of \$200.00.

vi) Gold Key: Open to Division Board members in recognition of exceptional service to the national organization. One or more Gold Keys may be presented each year. The award, which is presented at the ABA Annual Meeting, the Spring Board Meeting, or Spring Circuit Meetings, is a plaque with a maximum value of \$200.00.

vii) Platinum Key: Awarded to an individual. The highest award that the Division confers, the Platinum Key is awarded by a minimum of three Chairs in recognition of an individual's exceptional and extraordinary service to the national organization over a minimum of three administrations, consistently at the Gold Key level. {See item c. vi) above for Gold Key criteria.} The award, which is presented at the ABA Annual Meeting, is a plaque with a maximum value of \$500.00

Other Awards

viii) Certificate of Appreciation: Open to Division and Circuit leaders, speakers, or deans of schools hosting meetings. One or more may be presented each year. The Certificate is awarded by any member to an individual for contribution and service to the Division. It is presented at the ABA Annual Meeting, the Spring Board Meeting, or Spring Circuit Meetings and is valued at approximately \$15.00.

ix) Friend of the Division: Awarded by any Board member to any person for outstanding service and friendship to the Division overall. One or more Friend of the Division awards may be presented each year. The award, a plaque valued at \$25.00, is presented at the ABA Annual Meeting, the Spring Board Meeting, or Spring Circuit Meetings.

3.4 President-elect Zack's Requests

a. Request for Special Advisors

The Board approved President-elect Zack's request for the creation and appointment of special advisors to the following 13 entities: Standing Committee on Bar Activities and Services, Central European and Eurasian Law Initiative Council, Standing Committee on the Delivery of Legal Services, Special Committee on Disaster Response and Preparedness, Commission on Ethics 20/20, Fund for Justice and Education, Latin

America Law Initiative Council, Standing Committee on Membership (2), Commission on Youth at Risk, Non-Dues Revenue Committee, Executive Compensation Committee, and Rule of Law Initiative. The Board's approval was with the understanding that i) the affected entities will not pay costs associated with the special advisors, and ii) the costs will be borne by the special advisors.

The Board also approved President-elect Zack's request to continue special advisors to 21 entities.

The Board declined to approve President-elect Zack's request to continue special advisors to the Standing Committee on Federal Judiciary, noting the ability of the Chair of the Standing Committee on Federal Judiciary to call on the expertise of former members of the Standing Committee as needed.

b. Request to Create the Board Responsibility and Orientation Committee

The Board approved President-elect Zack's request for the creation of a Board Responsibility and Orientation Committee, comprised of six members including the Chair. The Committee shall advise members of the Board regarding their obligations and responsibilities and make recommendations to the President-elect regarding the orientation of new members.

c. Request to Amend the Jurisdictional Statement of the Executive Committee

The Board declined to revise the jurisdictional statement of the Executive Committee to add the Immediate Past President as a voting member for the 2011 Association year.

d. Request to Create Special Advisor Position to the Executive Compensation Committee

The Board approved, with certain understandings (See Exhibit 3.4a above.), the creation of a special advisor position to the Executive Compensation Committee to provide expert advice and guidance regarding executive compensation matters. The individual selected to serve as special advisor is not required to be a member of the Board.

3.5 Section of International Law and Center for Human Rights Request to Collaborate with and Provide Pro Bono Assistance to Haitian and U.S. Non-Governmental Organizations

The Board approved the request of the Section of International Law, in conjunction with the Center for Human Rights, to collaborate with, and provide pro bono assistance to, Haitian and U.S. non-governmental organizations on Dwa Moun ("Human Rights" in Haitian Creole), as they organize and advocate on behalf of groups of victims in Haiti. The Board's approval was with the understanding that a) the proposed collaboration is for the provision of legal services and not for the provision of technical legal assistance and b) the Section of International Law and the Center for Human Rights shall formally notify the Rule of Law Initiative of the collaboration, as set forth in the jurisdictional statements of the Rule of Law Initiative and its individual councils.

3.6 Standing Committee on Membership Recommendation Regarding Modifications to Flat Rate Firm Group Billing Pilot

The Board approved the request of the Standing Committee on Membership to modify the Flat Rate Firm Group Billing Pilot (Pilot), which offers a discounted flat ABA dues rate for law firms based on the number of U.S. lawyers. The firm pays the ABA dues for all lawyers at a set rate for the entire firm regardless of the individual lawyer's ABA dues class. In pertinent part, the proposed modifications to the Pilot a) expand the current pricing tiers to ensure the move from one tier to the next results in a minimum dues increase, b) permit the ABA Membership and Marketing Division, with the approval of the Executive Director, to negotiate a pro rated adjustment for those firms that have been in the Group Billing Program or Pilot for two or more years and have outgrown their current dues tier but are under 50 percent of the next higher dues tier, and c) offer a graduated three-year introductory rate to firms that are joining the Pilot for the first time.

3.7 Discussion Regarding the ABA Pension Plan

At its August 5, 2010, meeting, the Operations and Communications Committee discussed issues relating to the A-E-F-C Pension Plan. No action was taken by the Operations Committee on this matter. (See Exhibit 5.4 below.)

B. MATTERS OF INDEPENDENT JURISDICTION

3.15 Requests for Co-Sponsorships

The Operations and Communications Committee approved co-sponsorship requests from the following entities, with one condition, noted in Exhibit 3.15g below. No additional ABA general revenue is requested or required for these co-sponsorships.

- a. Commission on Homelessness and Poverty: request to co-sponsor the 2010 "National Forum on Human Right to Housing" with the National Law Center on Homelessness & Poverty, October 13-14, 2010, in Washington, DC.
- b. Commission on Racial and Ethnic Diversity in the Profession: request to co-sponsor three or more screenings of the film *Cruz Reynoso: Sowing the Seeds of Justice* with state and local bar associations and other community organizations in the cities where the screenings will be held, as listed in the request. The following screenings have been scheduled: Atlanta, Georgia – October 14, 2010; Chicago, Illinois – March 23, 2011; and Miami, Florida – May 12, 2011.
- c. Section of International Law: request to co-sponsor the International Law Student Association Conference in 2011, 2012 and 2013. The 2011 Conference will be held March 20-26, 2011, in Washington, DC.
- d. Commission on Law and Aging (Two Requests)
 - i. request to co-sponsor "The Third National Guardianship Summit: Standards of Excellence" with eight outside organizations listed in the request and the Section of Real Property, Trust and Estate Law, October 12-15, 2011, at the University of Utah College of Law in Salt Lake City, Utah.

ii. request to co-sponsor the conference "At the Epicenter: Cruzan and PSDA 20 Years Later" with the Center for Practical Bioethics and several additional invited co-sponsors listed in the request, November 12-13, 2010, in Kansas City, Missouri.

e. Section of Antitrust Law (Two Requests)

i. request to continue co-sponsorship and administration of the Janet D. Steiger Fellowship Project with state Attorneys General offices in 2011. The Project has been approved by the Board each year since 2004.

ii. request to co-sponsor "Why Antitrust" programs with certain ABA approved law schools listed in the request during the 2010-2011 Association Year and thereafter.

f. Section of Individual Rights and Responsibilities (Two Requests)

i. request to co-sponsor the "Election Protection Program," the voting rights project of the Lawyers' Committee for Civil Rights Under Law. The Board previously approved this co-sponsorship in 2004, 2006 and 2008.

ii. request to co-sponsor the Lawyers' Committee for Civil Rights Under Law's "Prevent Loan Scams" campaign. The campaign is part of the Loan Modification Scam Prevention Network that was created to enhance the fight against individuals and companies that prey on homeowners struggling with their mortgages. The lead organizations in the Network include Fannie Mae, Freddie Mac, and the Lawyers' Committee, as well as representatives from key governmental agencies, state Attorneys General offices, and leading non-profit organizations across the U.S.

g. Section of Dispute Resolution: request to co-sponsor Conflict Resolution Day programs and events, held the third Thursday in October, with the Association of Conflict Resolution (the founder of Conflict Resolution Day) and state and local bar associations. (NOTE: The approval is with the understanding that the language "in name only" will be deleted from the request.)

3.16 Section of Antitrust Law Request for Approval of Brown Bag Programs Co-sponsored with Certain Outside Entities in 2010-2011

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 89 additional outside entities as potential co-sponsors in 2010-2011.

4. PROGRAM, EVALUATION AND PLANNING COMMITTEE

A. MATTERS FOR REVIEW BY THE BOARD

4.1 Request for the Creation of Program Support Funds

a. Standing Committee on Lawyers' Professional Liability

The Board approved the request of the Standing Committee on Lawyers' Professional Liability for the creation of a program support fund to support the Standing Committee's legal education activities.

b. Standing Committee on Legal Aid and Indigent Defendants

The Board approved the request of the Standing Committee on Legal Aid and Indigent Defendants (SCLAID) for the creation of a program support fund to provide programmatic and meeting resources for SCLAID activities that are unable to be funded through general revenues.

c. Commission on Homelessness and Poverty

The Board approved the request of the Commission on Homelessness and Poverty for the creation of a program support fund to i) establish a self-sustaining publishing program for future publishing projects and other large-scale programming that requires multi-year planning and budgeting and ii) begin fundraising efforts to create the Friends of the Commission on Homelessness and Poverty.

d. Commission on Lawyer Assistance Programs

The Board approved the request of the Commission on Lawyer Assistance Programs for the creation of a program support fund to provide resources for the ABA National Conference for Lawyer Assistance Programs and other public service activities of the Commission.

e. Standing Committee on Paralegals

The Board approved the request of the Standing Committee on Paralegals for the creation of a program support fund to support programmatic activities of the Standing Committee, including but not limited to, reviewing and recommending ABA approval of paralegal education programs, providing in-depth training regarding compliance with the guidelines for the approval of paralegal education programs, providing training for persons participating in site visits to paralegal education programs seeking ABA approval or reapproval, and producing relevant publications.

f. Council, Section on Legal Education and Admissions to the Bar

The Board approved the request of the Council of the Section of Legal Education and Admissions to the Bar, serving as the Department of Education (DOE) recognized agency for the Accreditation of Law Schools Project, to establish a program support fund effective September 1, 2010. The creation of a program support fund will define and clearly separate fiscal operations related to Legal Education and Admissions to the Bar-Accreditation of Law Schools Project as well as ensure compliance with DOE regulation 34 C.F.R. Section 602.14 (b) regarding "separate and independent" requirements.

4.2 Tort Trial and Insurance Practice Section Request to Expand Program Support Fund to Establish Fellows Program

The Board approved the request of the Tort Trial and Insurance Practice Section to expand its FJE Program Support Fund to incorporate a new initiative, The Fellows of the Tort Trial and Insurance Practice Section of the American Bar Association.

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

The Board approved the Program, Evaluation and Planning Committee's recommendations for no-cost extensions for the following Enterprise Fund Projects: *Helping Ensure That Immigration Detainees Know Their Rights*, from August 2010 to December 2010 and *Juvenile Mistakes: How Long to Pay the Price*, from December 2010 to March 2011.

B. MATTERS OF INDEPENDENT JURISDICTION

Consideration of Appeals to Program, Evaluation and Planning Committee Rankings

The Program, Evaluation and Planning Committee (PEP) reviewed fifteen entity appeals to the PEP rankings from the following entities:

- Center for Professional Responsibility Coordinating Council (C4)
- Center for Professional Responsibility Policy Implementation Committee (B3)
- Standing Committee on Armed Forces Law (C3)
- Standing Committee on Client Protection (B3)
- Standing Committee on Environmental Law (C3)
- Standing Committee on Group and Prepaid Legal Services (C3)
- Standing Committee on Lawyer Referral and Information Service (B3)
- Standing Committee on Lawyers' Professional Liability (B3)
- Standing Committee on Legal Assistance for Military Personnel (B3)
- Commission on Mental and Physical Disability Law (B2)
- Standing Committee on Paralegals (C3)
- Standing Committee on Professional Discipline (B2)
- Standing Committee on Professionalism (B4)
- Commission on Youth At Risk (C2)
- Section Officers Conference (B2)

Ranking changes were recommended for the following entities:

- Center for Professional Responsibility Coordinating Council (B4)
- Standing Committee on Group and Prepaid Legal Services (B3)
- Commission on Mental and Physical Disability Law (A2)
- Standing Committee on Paralegals (B3)

All entities will be notified of PEP deliberations immediately following the Annual Meeting.

Funding for FY2010-2011 Enterprise Fund Projects

The Program, Evaluation and Planning Committee will notify the awardees of the FY2010-2011 Enterprise Fund that due to lack of funding, the projects will not be funded in the upcoming cycle. Four programs were approved by the Board of Governors in June 2010, pending the availability of funds. The entities will be notified that the

cessation of the Enterprise Fund for FY2010-2011 is temporary; when funds become available, the entities will be encouraged to reapply.

5. FINANCE COMMITTEE

A. MATTERS FOR REVIEW BY THE BOARD

5.1 Approval of Consolidated FY2011 Budgets

a. General Revenue Operating Budget

The Board approved the FY2011 General Revenue Operating Budget.

b. Budget Appeals

The Board granted certain appeals and also determined that the monies to fund the appeals would come from the Dues Warehouse and not at the expense of other items funded in the general revenue budget.

5.2 American Bar Insurance Plans Consultants, Inc. (ABI) Request that Board of Governors Reaffirm ABI's Participation in Thrift Plan for Employees of the American Bar Association and Affiliates and the A-E-F-C Pension Plan

The Board reaffirmed that the American Bar Insurance Plans Consultants, Inc. (ABI) is a participant in the Thrift Plan for Employees of the American Bar Association and Affiliates and the A-E-F-C Pension Plan pursuant to the resolution adopted by the ABI Board of Directors, June 10, 2010, in Taos, New Mexico.

5.3 Report and Recommendation of the Grants Subcommittee

This item was deferred.

5.4 Recommendation Regarding ABA Pension Plan

The Board deferred any decision on the Defined Benefit Plan until its October 2010 meeting. Specifically, the Board approved a motion to have the Finance Committee provide to the Board three proposals on the Pension Plan. Information is due to the Board by October 15, 2010. The Board may choose from those proposals at its meeting in October 2010.

5.5 Approval of FY 2011 Internal Audit Plan

The Board approved the FY 2011 Internal Audit Plan, as requested by the Standing Committee on Audit.

5.6 A-E-F-C Pension Plan Funding Recommendation

The Board, at the recommendation of the A-E-F-C Pension Plan Administration Committee and acting for the American Bar Association, the sponsor of the A-E-F-C

Pension Plan (Plan), voted to make the following elections regarding the Plan by September 15, 2010:

- a. elect to amortize the Plan's 2010 shortfall amortization base over the 15-year amortization period permitted by the June 2010 pension relief law;
- b. adopt the segment rate method with a four (4) month look back, effective January 1, 2010, as the method for determining the discount rate for Plan liabilities, which will result in the highest interest rate for this purpose for 2010, i.e., 6.7%, thus reducing the present value of the liability to the lowest amount;
- c. continue the three-year asset smoothing method to value the Plan's assets, which will result in less volatility in the value of assets from year to year; and
- d. not to voluntarily waive or "burn" some or all of the Plan's credit balance, but rather to have the credit balance mandatorily waived only to the extent required by law, which would result in a credit balance enabling the Board to use the remaining credit balance to make quarterly pension contributions during FY2010-2011.

5.7 Request to Ratify June 4, 2010, Actions of the Finance Committee that Approved Recommendations of the Subcommittee on Investments

The Board ratified the following actions taken by the Finance Committee at its June 4, 2010, meeting regarding recommendations made by the Subcommittee on Investments:

- a. The Finance Committee approved a change in the ABA's Investment Policy to include a 5% cash and short-term cash equivalent.
- b. The Finance Committee approved the immediate liquidation of 5% of the long term investments on a pro rata basis.
- c. The Finance Committee approved the pay back of the short-term line of credit with a 1.5%, 90 day payback and, instead, borrow from the Association and pay the interest to the long-term investments. The Finance Committee also approved keeping the line of credit open for a rainy day contingency.

B. MATTERS OF INDEPENDENT JURISDICTION

None for consideration.