



THE STATE BAR OF CALIFORNIA

HOWARD MILLER

PRESIDENT

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To: Board of Governors

From: Howard Miller

Re: First Meeting of 2009-2010 Board of Governors
San Diego Marriott Hotel

Posted on the Board's agenda are the committee documents that will also be presented at our first meeting on Saturday, September 12.

We will convene at 2:00 pm for some initial reports, and then have a specially noticed meeting of the Regulation and Admissions Committee (RAC) at 3:00 pm, which should conclude at 4:00 pm and allow us finish the entire BOG meeting by 5:00 pm.

The attached documents provide a transparent overview by each committee chair of the goals and timetables for the committee that will be discussed at the BOG meeting.

Here is a brief summary of the areas that will be covered:

Audit, Business Processes, and Budget/Planning

Audit Committee, Laura Chick, Chair

As you all know we suffered an embezzlement of \$675,000, done over an eight-year period, involving collection of rental receipts. We not only had a special audit done regarding the embezzlement, but extended that audit to a risk analysis of all our internal controls. The Audit Document explains all that in greater detail (See 180 Audit Committee) The Audit document's Attachment A, is the Risk Analysis done by our special external auditor, Kevin Harper, and Audit Attachment B is management's response to the risk analysis. The embezzlement caused and continues to cause us great embarrassment, and more importantly highlights our continuing fiduciary responsibilities to our members. The document sets out the schedule for establishing a new internal audit function and tracking its results.

Select Task Force/Committee on Business Processes

George O. Davis, Chair

The Business Process document (See 700 Miscellaneous) outlines the goals of this committee. It will meet immediately after meetings of the Audit Committee. Its focus will be on allocation of human resources, technology and other expenditures from a policy

standpoint to assure us that every dollar of dues, mandatory or voluntary, is being efficiently used, managed, and connected to specific goals.

Planning, Program Development, and Budget

Patricia White, Chair

The PPDB document (See 140 Planning, Program Development and Budget) describes the work of PPDB, which consists of two parts: Strategic Planning, which is a subject of our annual planning meeting, being held this year in Los Angeles on November 12-14; and intensive focus on the budget, which is also connected to the work of Audit and Business Processes.

Discipline Oversight and Regulation and Admissions

Discipline Oversight and Regulation and Admission are the core functions we serve, as an integrated bar that is an agent of the Supreme Court of California. The management issues above are in the service of making sure these functions, and all our others, are properly performed.

The two committees have previously been one, RAD. They were divided in two this year to gain additional focus on the now nine-year project of rules revision.

Discipline Oversight Committee (DOC), William Hebert, Chair

The DOC document (See 120 Discipline Oversight Committee) sets out this year's goals for the committee. It will be dealing with one of the critical issues for the State Bar, the choice and hiring of a new Chief Trial Counsel for the Office of Chief Trial Counsel. The document sets out the timeline for achieving that, and other objectives of the committee for the year.

Regulation and Admissions (RAC), Michael Marcus, Chair

In addition to being the committee to which the Committee of Bar Examiners reports, RAC, as set out in the RAC document (See 130 Regulation and Admissions), will focus on completing the process of the Rules Revision Commission. The commission (RRC) is now in its ninth year of attempting a revision of the California Rules of Professional Conduct. To help move this along, and complete the work this year, the RAC committee was formed, and Judy Johnson wisely assigned Bob Hawley to be the senior executive staffing the RRC. Just in its past two meetings in July and August, the RRC has made remarkable progress.

At 3:00 pm on September 12, there will be a specially set meeting of RAC to vote on sending out a group of proposed rules for public comment. Those rules will be posted this Friday on the State Bar website as part of the September 12, 2009 RAC committee agenda. I apologize for the limited number of days of the posting, before the 12th, but

the RRC just finished working on these last Saturday under the schedule we set, and the only decision to be made by RAC on the 12th is whether to send these out for public comment. As you will see in the last two pages of the RAC document, the schedule calls for the September 12 consideration as part of the goal to finish the rules this year. Both Michael Marcus and I appreciate your understanding on the scheduling issues.

Programmatic Committees

Two committees deal with programs critical to the function of the State Bar:

Legal Services Committee, Rex Heinke, Chair

Legal Services and Pro Bono issues will be critical this year. We will hear more than we ever wanted to know about lawyer's involvement in loan modification fraud, and the dramatic need for increased legal services and pro bono work that has developed. And that is on top of our existing knowledge that in over 70 percent of family law cases neither side is represented by counsel. The LSC document sets out the committee's goals for the year (See 160 Legal Services, Pro Bono and Equal Access). But one ongoing subject of discussion will be the need for the entire Board to be involved with these issues.

Member Involvement, Relations, and Services (MIRS), Paul Kramer, Chair

MIRS and its associated Task Force on Sections, is at the center of issues that in many ways most concern our members. The MIRS document sets out its goals for the year. Most of our members have contact with us through the work that MIRS does. For example, it will continue to be involved in the development and implementation of the "Find A Lawyer" project, and design of our website, that we spent so much time and energy on last year. And many other issues that involve local and specialty bar associations and our members will come to MIRS.

Other Recruitment and Issues

Though not included above I will also report to the Board on the recruitment process for a new general counsel, and on issues that will come up related to a collective bargaining agreement for 2010, and the progress of our annual dues bill before the legislature.