



WSBA

WASHINGTON STATE BAR ASSOCIATION

Board of Governors Meeting

Public Session Materials

**November 18, 2016
WSBA Conference Center
Seattle, Washington**

WSBA MISSION

The Washington State Bar Association's mission is to serve the public and the members of the Bar, to ensure the integrity of the legal profession, and to champion justice.

WSBA GUIDING PRINCIPLES

The WSBA will operate a well-managed association that supports its members and advances and promotes:

- **Access to the justice system.**
Focus: Provide training and leverage community partnerships in order to enhance a culture of service for lawyers to give back to their communities, with a particular focus on services to underserved low and moderate income people.
- **Diversity, equality, and cultural understanding throughout the legal community.**
Focus: Work to understand the lay of the land of our legal community and provide tools to members and employers in order to enhance the retention of minority lawyers in our community.
- **The public's understanding of the rule of law and its confidence in the legal system.**
Focus: Educate youth and adult audiences about the importance of the three branches of government and how they work together.
- **A fair and impartial judiciary.**
- **The ethics, civility, professionalism, and competence of the Bar.**

MISSION FOCUS AREAS

Ensuring Competent and Qualified Legal Professionals

- Cradle to Grave
- Regulation and Assistance

Promoting the Role of Lawyers in Society

- Service
- Professionalism

PROGRAM CRITERIA

- Does the Program further either or both of WSBA's mission-focus areas?
- Does WSBA have the competency to operate the Program?
- As the mandatory bar, how is WSBA uniquely positioned to successfully operate the Program?
- Is statewide leadership required in order to achieve the mission of the Program?
- Does the Program's design optimize the expenditure of WSBA resources devoted to the Program, including the balance between volunteer and staff involvement, the number of people served, the cost per person, etc?

2016 – 2018 STRATEGIC GOALS

- Equip members with skills for the changing profession
- Promote equitable conditions for members from historically marginalized or underrepresented backgrounds to enter, stay and thrive in the profession
- Explore and pursue regulatory innovation and advocate to enhance the public's access to legal services

GR 12

Washington State Bar Association: Purposes

A. PURPOSES: IN GENERAL.

In general, the Washington State Bar Association strives to:

1. Promote independence of the judiciary and the bar;
2. Promote an effective legal system, accessible to all;
3. Provide services to its members;
4. Foster and maintain high standards of competence, professionalism, and ethics among its members;
5. Foster collegiality among its members and goodwill between the bar and the public;
6. Promote diversity and equality in the courts, the legal profession, and the bar;
7. Administer admissions to the bar and discipline of its members in a manner that protects the public and respects the rights of the applicant or member;
8. Administer programs of legal education;
9. Promote understanding of and respect for our legal system and the law;
10. Operate a well-managed and financially sound association, with a positive work environment for its employees;
11. Serve as a statewide voice to the public and the branches of government on matters relating to these purposes and the activities of the association.

B. SPECIFIC ACTIVITIES AUTHORIZED.

In pursuit of these purposes, the Washington State Bar Association may:

1. Sponsor and maintain committees, sections, and divisions whose activities further these purposes;
2. Support the judiciary in maintaining the integrity and fiscal stability of an independent and effective judicial system;
3. Provide periodic reviews and recommendations concerning court rules and procedures;
4. Administer examinations and review applicants' character and fitness to practice law;
5. Inform and advise lawyers regarding their ethical obligations;
6. Administer an effective system of discipline of its members, including receiving and investigating complaints of lawyer misconduct, taking and recommending appropriate punitive and remedial measures, and diverting less serious misconduct to alternatives outside the formal discipline system;

7. Maintain a program, pursuant to court rule, requiring members to submit fee disputes to arbitration;
8. Maintain a program for mediation of disputes between members and their clients and others;
9. Maintain a program for lawyer practice assistance;
10. Sponsor, conduct, and assist in producing programs and products of continuing legal education;
11. Maintain a system for accrediting programs of continuing legal education;
12. Conduct audits of lawyers' trust accounts;
13. Maintain a lawyers' fund for client protection in accordance with the Admission to Practice Rules;
14. Maintain a program of the aid and rehabilitation of impaired members;
15. Disseminate information about bar activities, interests, and positions;
16. Monitor, report on, and advise public officials about matters of interest to the Bar;
17. Maintain a legislative presence to inform members of new and proposed laws and to inform public officials about bar positions and concerns;
18. Encourage public service by members and support programs providing legal services to those in need;
19. Maintain and foster programs of public information and education about the law and the legal system;
20. Provide, sponsor, and participate in services to its members;
21. Hire and retain employees to facilitate and support its mission, purposes, and activities, including in the bar's discretion, authorizing collective bargaining;
22. Collect, allocate, invest, and disburse funds so that its mission, purposes, and activities may be effectively and efficiently discharged.

C. ACTIVITIES NOT AUTHORIZED.

The Washington State Bar Association will not:

1. Take positions on issues concerning the politics or social positions of foreign nations;
2. Take positions on political or social issues which do not relate to or affect the practice of law or the administration of justice; or
3. Support or oppose, in an election, candidates for public office.



2016-2017
WSBA BOARD OF GOVERNORS MEETING SCHEDULE

MEETING DATE	LOCATION	POTENTIAL ISSUES / SOCIAL FUNCTION	AGENDA DUE	BOARD BOOK MATERIAL DEADLINE*	EXECUTIVE COMMITTEE 10:00 am–12:00 pm*
November 18, 2016	WSBA Conference Center Seattle, WA	BOG Meeting	October 13, 2016	November 2, 2016	October 13, 2016
January 26-27, 2017	Gonzaga University Spokane, WA	BOG Meeting	January 5, 2017	January 11, 2017	January 5, 2017
March 9, 2017	Red Lion Olympia, WA	BOG Meeting	February 16, 2017	February 22, 2017	February 16, 2017
March 10, 2017	Temple of Justice	BOG Meeting with Supreme Court			
May 18-19, 2017	WSBA Conference Center Seattle, WA	BOG Meeting	April 27, 2017	May 3, 2017	April 27, 2017
July 27, 2017	Alderbrook Union, WA	BOG Retreat	June 29, 2017	July 12, 2017	June 29, 2017
July 28-29, 2017		BOG Meeting			
September 28-29, 2017	WSBA Conference Center Seattle, WA	BOG Meeting	September 7, 2017	September 13, 2017	September 7, 2017
September 28, 2017	TBD	WSBA APEX Awards Banquet			

*The Board Book Material Deadline is the final due date for submission of materials for the respective Board meeting. However, you should notify the Executive Director's office in advance of possible meeting agenda item(s).

This information can be found online at: www.wsba.org/About-WSBA/Governance/Board-Meeting-Schedule-Materials

*Unless otherwise noted.



WSBA Board of Governors

Congressional District Map

2016-2017



Robin Lynn Haynes
President



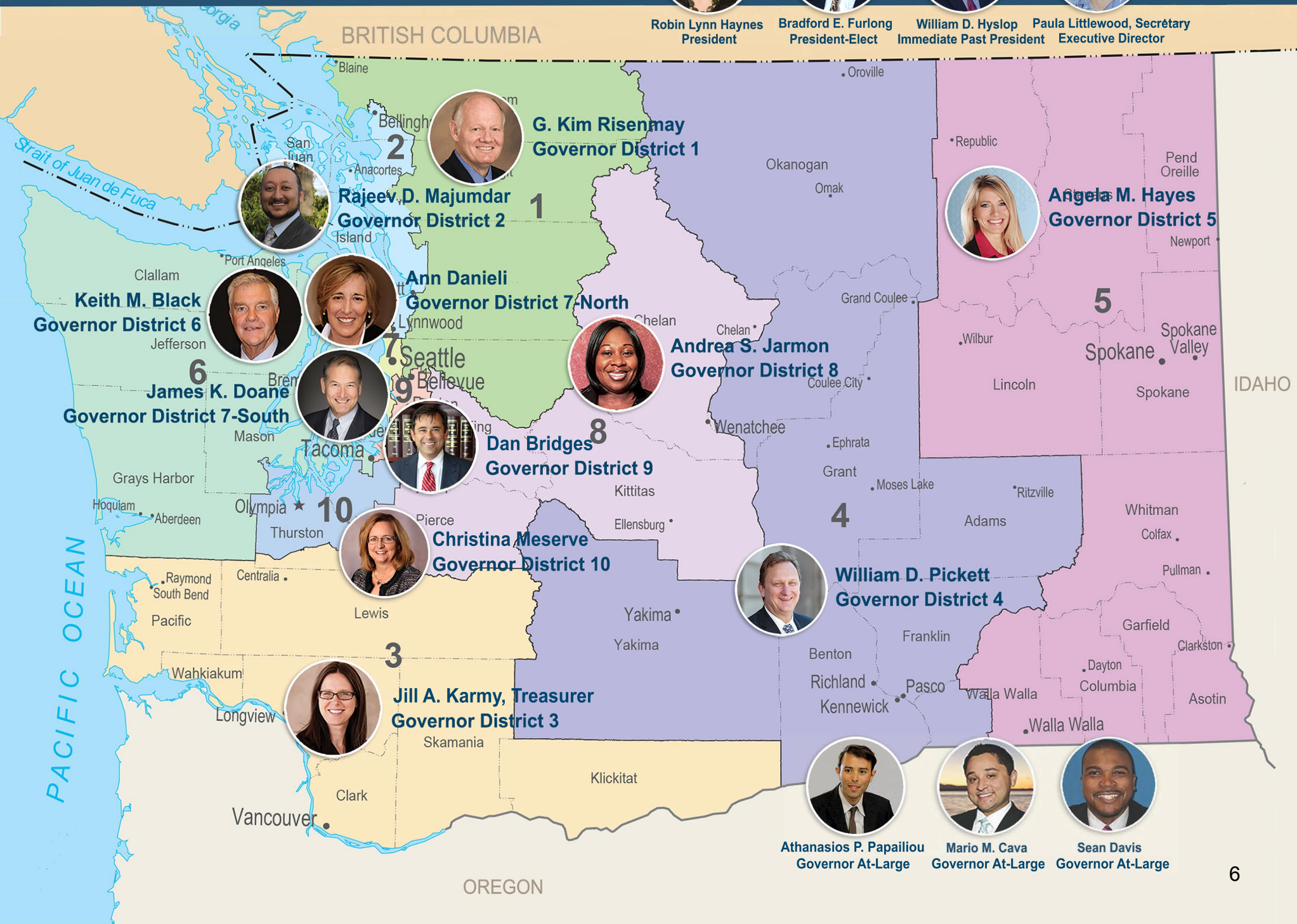
Bradford E. Furlong
President-Elect



William D. Hyslop
Immediate Past President



Paula Littlewood, Secretary
Executive Director



Athanasios P. Papailiou
Governor At-Large

Mario M. Cava
Governor At-Large

Sean Davis
Governor At-Large

BASIC CHARACTERISTICS OF MOTIONS

From: *The Complete Idiot's Guide to Robert's Rules*
The Guerilla Guide to Robert's Rules

MOTION	PURPOSE	INTERRUPT SPEAKER?	SECOND NEEDED?	DEBATABLE?	AMENDABLE?	VOTE NEEDED
1. Fix the time to which to adjourn	Sets the time for a continued meeting	No	Yes	No ¹	Yes	Majority
2. Adjourn	Closes the meeting	No	Yes	No	No	Majority
3. Recess	Establishes a brief break	No	Yes	No ²	Yes	Majority
4. Raise a Question of Privilege	Asks urgent question regarding to rights	Yes	No	No	No	Rules by Chair
5. Call for orders of the day	Requires that the meeting follow the agenda	Yes	No	No	No	One member
6. Lay on the table	Puts the motion aside for later consideration	No	Yes	No	No	Majority
7. Previous question	Ends debate and moves directly to the vote	No	Yes	No	No	Two-thirds
8. Limit or extend limits of debate	Changes the debate limits	No	Yes	No	Yes	Two-thirds
9. Postpone to a certain time	Puts off the motion to a specific time	No	Yes	Yes	Yes	Majority ³
10. Commit or refer	Refers the motion to a committee	No	Yes	Yes	Yes	Majority
11. Amend an amendment (secondary amendment)	Proposes a change to an amendments	No	Yes	Yes ⁴	No	Majority
12. Amend a motion or resolution (primary amendment)	Proposes a change to a main motion	No	Yes	Yes ⁴	Yes	Majority
13. Postpone indefinitely	Kills the motion	No	Yes	Yes	No	Majority
14. Main motion	Brings business before the assembly	No	Yes	Yes	Yes	Majority

1 Is debatable when another meeting is scheduled for the same or next day, or if the motion is made while no question is pending

2 Unless no question is pending

3 Majority, unless it makes question a special order

4 If the motion it is being applied to is debatable



WSBA

WASHINGTON STATE BAR ASSOCIATION

Discussion Protocols Board of Governors Meetings

Philosophical Statement:

"We take serious our representational responsibilities and will try to inform ourselves on the subject matter before us by contact with constituents, stakeholders, WSBA staff and committees when possible and appropriate. In all deliberations and actions we will be courageous and keep in mind the need to represent and lead our membership and safeguard the public. In our actions, we will be mindful of both the call to action and the constraints placed upon the WSBA by GR 12 and other standards."

Governor's Commitments:

1. Tackle the problems presented; don't make up new ones.
2. Keep perspective on long-term goals.
3. Actively listen to understand the issues and perspective of others before making the final decision or lobbying for an absolute.
4. Respect the speaker, the input and the Board's decision.
5. Collect your thoughts and speak to the point – sparingly!
6. Foster interpersonal relationships between Board members outside Board events.
7. Listen and be courteous to speakers.
8. Speak only if you can shed light on the subject, don't be repetitive.
9. Consider, respect and trust committee work but exercise the Board's obligation to establish policy and insure that the committee work is consistent with that policy and the Board's responsibility to the WSBA's mission.
10. Seek the best decision through quality discussion and ample time (listen, don't make assumptions, avoid sidebars, speak frankly, allow time before and during meetings to discuss important matters).
11. Don't repeat points already made.
12. Everyone should have a chance to weigh in on discussion topics before persons are given a second opportunity.
13. No governor should commit the board to actions, opinions, or projects without consultation with the whole Board.
14. Use caution with e-mail: it can be a useful tool for debating, but e-mail is not confidential and does not easily involve all interests.
15. Maintain the strict confidentiality of executive session discussions and matters.



WSBA

BOARD OF GOVERNORS

WSBA VALUES

Through a collaborative process, the WSBA Board of Governors and Staff have identified these core values that shall be considered by the Board, Staff, and WSBA volunteers (collectively, the “WSBA Community”) in all that we do.

To serve the public and our members and to promote justice, the WSBA Community values the following:

- Trust and respect between and among Board, Staff, Volunteers, Members, and the public
- Open and effective communication
- Individual responsibility, initiative, and creativity
- Teamwork and cooperation
- Ethical and moral principles
- Quality customer-service, with member and public focus
- Confidentiality, where required
- Diversity and inclusion
- Organizational history, knowledge, and context
- Open exchanges of information



GUIDING COMMUNICATION PRINCIPLES

In each communication, I will assume the good intent of my fellow colleagues; earnestly and actively listen; encourage the expression of and seek to affirm the value of their differing perspectives, even where I may disagree; share my ideas and thoughts with compassion, clarity, and where appropriate confidentiality; and commit myself to the unwavering recognition, appreciation, and celebration of the humanity, skills, and talents that each of my fellow colleagues bring in the spirit and effort to work for the mission of the WSBA. Therefore, I commit myself to operating with the following norms:

- ◆ I will treat each person with courtesy and respect, valuing each individual.
- ◆ I will strive to be nonjudgmental, open-minded, and receptive to the ideas of others.
- ◆ I will assume the good intent of others.
- ◆ I will speak in ways that encourage others to speak.
- ◆ I will respect others' time, workload, and priorities.
- ◆ I will aspire to be honest and open in all communications.
- ◆ I will aim for clarity; be complete, yet concise.
- ◆ I will practice "active" listening and ask questions if I don't understand.
- ◆ I will use the appropriate communication method (face-to-face, email, phone, voicemail) for the message and situation.
- ◆ When dealing with material of a sensitive or confidential nature, I will seek and confirm that there is mutual agreement to the ground rules of confidentiality at the outset of the communication.
- ◆ I will avoid triangulation and go directly to the person with whom I need to communicate. (If there is a problem, I will go to the source for resolution rather than discussing it with or complaining to others.)
- ◆ I will focus on reaching understanding and finding solutions to problems.
- ◆ I will be mindful of information that affects, or might be of interest or value to, others, and pass it along; err on the side of over-communication.
- ◆ I will maintain a sense of perspective and respectful humor.



Anthony David Gipe
President

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November 2014

BEST PRACTICES AND EXPECTATIONS

❖ Attributes of the Board

- Competence
- Respect
- Trust
- Commitment
- Humor

❖ Accountability by Individual Governors

- Assume Good Intent
- Participation/Preparation
- Communication
- Relevancy and Reporting

❖ Team of Professionals

- Foster an atmosphere of teamwork
 - Between Board Members
 - The Board with the Officers
 - The Board and Officers with the Staff
 - The Board, Officers, and Staff with the Volunteers
- We all have common loyalty to the success of WSBA

❖ Work Hard and Have Fun Doing It

Working Together to Champion Justice

999 Third Avenue, Suite 3000 / Seattle, WA 98104 / fax: 206.340.8856



**Board of Governors Meeting
WSBA Conference Center
Seattle, WA
November 18, 2016**

***WSBA Mission: Serve the public and the members of the Bar,
ensure the integrity of the legal profession, and to champion justice.***

PLEASE NOTE: ALL TIMES ARE APPROXIMATE

FRIDAY, NOVEMBER 18, 2016

GENERAL INFORMATION 2

1. AGENDA 12

12:15 P.M. – Lunch with Liaisons & Washington Leadership Institute (WLI) Fellows

1:30 P.M.

2. EXECUTIVE SESSION

- a. Approval of September 29-30, 2016, Executive Session Minutes **(action)** E-2
- b. President's and Executive Director's Reports
- c. Discipline Report – Doug Ende..... E-9
- d. Litigation Report – Jean McElroy E-21
- e. Meeting Evaluation Summary..... E-47

2:30 P.M. – PUBLIC SESSION

- Introductions and Welcome
- Report on Executive Session
- Consideration of Consent Calendar*

OPERATIONAL

3. FIRST READING/ACTION CALENDAR

- a. Legislative Matters
 - 1. 2017 WSBA Legislative Committee Recommendations – Kyle Sciuchetti, Chair,
and Alison Phelan, Legislative Affairs Manager 16
 - a. Bill Request re Distribution of a Washington Trust's Assets to
Another Trust **(action)** 21
 - b. Bill Request re the Business Corporation Act **(action)** 36

* See Consent Calendar. Any items pulled from the Consent Calendar will be scheduled at the President's discretion.

2. 2017 WSBA Legislative Priorities – Governor Mario Cava and Alison Phelan, Legislative Affairs Manager (action)	71
3. BOG Legislative Committee Recommendation re WSBA Resolution for Civil Justice Reinvestment Plan – Governor Mario Cava and Alison Phelan, WSBA Legislative Affairs Manager (action)	73
b. Proposed WSBA Religious and Spiritual Practices Policy Update – Jean McElroy, General Counsel/Chief Regulatory Counsel, and Frances Dujon-Reynolds, Director of Human Resources	
c. Suggested Amendments to Bylaws Article XI – Governor James Doane; Terra Nevitt, Director of Advancement/Chief Development Office; and Paris Eriksen, Sections Program Manager (action)	78
• <i>Additional Information</i>	S-3

3:30 P.M.

GENERATIVE DISCUSSION

4. GREYING OF THE BAR	
a. Identification and Prioritization of 2016-2017 Generative Discussion Topics	
5. <u>CONSENT CALENDAR</u>	90
a. September 29-30, 2016, Public Session Minutes	91
b. Appoint Chair to Washington Young Lawyers Committee	105
c. Appoint Members to FY2017 Legislative Work Group	106
d. Proposed Civil Litigation Rules Task Force Charter	109
e. Limited License Legal Technician Board’s Suggested Course Application Fee	112
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6. <u>INFORMATION</u>	
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c. FY2016 Fourth Quarter Management Report	172
d. WSBA Practice Sections Annual Reports	184
• <i>Additional Information</i>	S-88
e. Washington State Bar Foundation (WSBF) Annual Report	188
f. Washington Leadership Institute Fellows Report on 2015 Community Service Project	199
g. Diversity and Inclusion Events	203
h. Financials	
1. August 31, 2016, Financial Statements	205
2. October 31, 2016, Investment Update	246
7. PREVIEW OF JANUARY 26-27, 2017, MEETING	247

2016-2017 Board of Governors Meeting Issues

NOVEMBER (Seattle)

Standing Agenda Items:

- Financials
- FY2016 Fourth Quarter Management Report
- BOG 2016-2017 Legislative Committee Agenda
- WSBA Legislative Committee Recommendations
- Office of Disciplinary Counsel Report (Executive Session – quarterly)
- Outside Appointments (if any)
- Washington Leadership Institute (WLI) Fellows Report
- WSBA Practice Sections Annual Reports (information)
- WSBF Annual Report

JANUARY (Spokane)

Standing Agenda Items:

- ABA Midyear Meeting Sneak Preview
- Financials
- FY2016 Audited Financial Statements
- FY2017 First Quarter Management Report
- Legislative Report
- LFCP Board Annual Report
- Office of Disciplinary Counsel Report (Executive Session – quarterly)
- Outside Appointments (if any)
- Third-Year Governors Candidate Recruitment Report

MARCH (Olympia)

Standing Agenda Items:

- ABA Mid-Year Meeting Report
- Financials
- Legislative Report
- Outside Appointments (if any)
- Supreme Court Meeting

May (Seattle)

Standing Agenda Items:

- BOG Election Interview Time Limits (Executive Session)
- Financials
- FY2017 Second Quarter Management Report
- Interview/Selection of WSBA At-Large Governor
- Interview/Selection of the WSBA President-elect
- Legislative Report/Wrap-up
- Office of Disciplinary Counsel Report (Executive Session – quarterly)
- Outside Appointments (if any)
- WSBA Awards Committee Recommendations (Executive Session)

JULY (Alderbrook)**Standing Agenda Items:**

- ATJ Board Report
- BOG Retreat
- Court Rules and Procedures Committee Report and Recommendations
- Discipline Selection Panel Recommendations
- Financials
- Draft WSBA FY2017 Budget
- FY2016 Third Quarter Management Report
- Office of Disciplinary Counsel Report (Executive Session – quarterly)
- WSBA Committee and Board Chair Appointments
- WSBA Mission Performance and Review (MPR) Committee Update
- WSBA Treasurer Election

SEPTEMBER (Seattle)**Standing Agenda Items:**

- 2018 Keller Deduction Schedule
- ABA Annual Meeting Report
- Chief Hearing Officer Annual Report
- Professionalism Annual Report
- Executive Director's Evaluation Report
- Financials
- Final FY2018 Budget
- Legal Foundation of Washington and LAW Fund Report
- Washington Law School Deans
- WSBA Annual Awards Dinner
- WSBF Annual Meeting and Trustee Election

Board of Governors – Action Timeline

Description of Matter/Issue	First Reading	Scheduled for Board Action
Law Clerk Waiver Policies	November 13, 2015	TBD
WSBA Spiritual Practices Policy	July 22-23, 2016	TBD
Suggested Amendments to WSBA Bylaws Article XI	August 23, 2016	November 18, 2016



WSBA

OFFICE OF LEGISLATIVE AFFAIRS

MEMORANDUM

TO: WSBA Board of Governors

FROM: Kyle Sciuchetti, WSBA Legislative Committee Chair, and Alison Phelan, WSBA Legislative Affairs Manager

DATE: November 18, 2016

RE: 2017 WSBA Legislative Committee Recommendations (**ACTION ITEM**)

ACTION: Sponsor two proposals for 2017 Bar-request legislation as recommended by the WSBA Legislative Committee.

OVERVIEW:

The WSBA Legislative Committee (Committee) recommends the Board of Governors (BOG) sponsor the following two proposals for Bar-request legislation during the 2017 legislative session. The Committee voted unanimously to recommend the BOG sponsor these proposals.

LEGISLATIVE PROPOSAL #1: Concerning the distribution of a Washington trust's assets to another trust.

- **Recommended Action:** Sponsor (Committee approved unanimously)
- **Date of Legislative Committee Review:** October 10, 2016
- **Section Representative:** Michael Carrico, WSBA Real Property, Probate and Trust Section
- **Returning or New Proposal:** New

Summary

The Washington trust decanting statute will provide a relatively simple and low cost procedure for modernizing trust documents, at the same time protecting the interests of beneficiaries. The statute would allow complete replacement of the original trust document with a new, updated trust document. The proposed statute is based on the Uniform Trust Decanting Act which was approved by the National Conference of Commissioners on Uniform State Law (NCCUSL) in July 2015.

There is no anticipated fiscal impact.

Background

While Washington trust statutes provide for the possibility of modifying an irrevocable trust through a nonjudicial binding agreement under RCW 11.96A.220, this procedure can be relatively cumbersome and expensive if thorough modernization of an irrevocable trust is required. As of July 2016, 23 states had some form of a trust decanting statutes to address this need and, as noted above, in July 2015 the NCCUSL approved a uniform act. The Washington trust decanting statute will be of particular benefit to relatively old irrevocable trusts, such as irrevocable life insurance trusts which hold policies insuring the life of a living grantor. In a way, the proposed Washington trust decanting statute is similar to the 2015 Directed Trust Act, which has a clear purpose of authorizing this popular trust structure in a manner similar to that used by Delaware, Nevada, South Dakota, and other states which try to attract such trust accounts (note that the Washington Department of Financial Institutions supported the 2015 Directed Trust Act).

Section Draft Development

In 2014, the WSBA Real Property, Probate and Trust (RPPT) Section Legislative Committee created a drafting committee to begin reviewing language of existing state statutes and to include uniform act language as much as possible. A draft state statute was substantially complete when the NCCUSL approved the uniform act in July 2015.

In August 2016, the draft state statute and comments were sent to the RPPT Legislative Committee and to the Uniform Law Commission. Substantial revisions were made that resulted in the draft Washington statute to more closely track with the provisions of the recently passed uniform act. While its provisions are shorter and the Washington statute is organized in a different way, almost all of the language and substantially all of the critical drafting points of the uniform act are reflected in the Washington statute. The Uniform Law Commission considers the draft state statute an uniform act.

The RPPT Legislative Committee vote to approve the proposed trust decanting amendments was unanimous. The WSBA RPPT Section Executive Committee vote to approve the proposed trust decanting amendments was also unanimous.

Stakeholder Response

Stakeholders engaged in the review process include the Uniform Law Commission, the Washington Bankers Association, Association of Washington Business, Disability Rights Washington, the Department of Financial Institutions (neutral), the Office of the Insurance Commissioner (neutral), the Life Underwriters Association, the Washington Association for Justice, the Washington State Certified Public Accountants, the Washington State Chapter of the American College of Trust and Estate Counsel, as well as local and county estate planning councils across the state. No concerns have been expressed.

Legislators contacted regarding this bill include prime sponsor Sen. Jamie Pedersen, Sen. David Frockt, and Rep. Roger Goodman. If the BOG votes to sponsor this legislation, Sen. Pedersen will authorize co-sponsorship of this bill with the Uniform Law Commission in his capacity as a Uniform Law Commissioner. The Governor's General Counsel as well as staff

attorneys for the Senate and House have also been briefed regarding this proposed legislation.

LEGISLATIVE PROPOSAL #2: Concerning the business corporation act.

- **Recommended Action:** Sponsor (Committee approved unanimously)
- **Date of Legislative Committee Review:** September 19, 2016
- **Section Representative:** Eric DeJong, Corporate Act Revisions Committee Co-Chair, WSBA Business Law Section
- **Returning or New Proposal:** New

Summary

The proposed amendments to the Washington Business Corporation Act (WBCA) will modernize Washington law to better reflect current corporate business practices, create process efficiencies, and potentially attract corporations to conduct future business in Washington. This proposal seeks to:

- Establish a statutory procedure for ratification and validation of defective corporate actions;
- Authorize and enable forum selection provisions;
- Permit asset drop-down transactions without parent corporation shareholder approval;
- Eliminate 10-year term limits on voting trusts and shareholder agreements; and
- Permit short-form downstream mergers.

The adoption and enactment of the proposed amendments to the WBCA is not expected to impose any costs on businesses or individuals to comply with the provisions.

Background

Defective corporate actions

In 2013, the Delaware Court of Chancery issued a decision that found an array of purported stock issuances to be invalid and held that the invalid issuances could not be retroactively ratified or validated. In the decision, the Court made broad statements that could be viewed as limiting the ability of corporations to ratify certain defects. Largely in response to that decision, Delaware amended its General Corporation Law to add new Sections 204 and 205, which provide a process for corporate ratification and judicial validation of defective corporate actions. The American Bar Association (ABA) Committee on Corporate Laws followed with an amendment to the Model Business Corporation Act (MBCA) to add a similar ratification procedure. The Corporate Act Revisions Committee (CARC) of the WSBA Business Law Section believes Washington corporations, their shareholders, and the business law bar would benefit from ratification and validation procedures similar to those of Delaware and the MBCA.

Forum selection

In recent years there has been significant growth in the frequency of shareholder lawsuits challenging acquisitions, mergers, and other significant actions by U.S. corporations. These

transactions typically attract multiple lawsuits, often in multiple jurisdictions. A significant number of corporations, looking for ways to increase predictability and control the cost of shareholder litigation, have designated in their bylaws or articles of incorporation an exclusive set of courts – typically in the state of the company’s incorporation – where derivative and other “internal corporate” claims may be brought. The adoption of these forum selection provisions raised some uncertainty as to the enforceability. In 2015, Delaware amended the Delaware General Corporation Law to provide that a corporation’s certificate of incorporation or bylaws may include forum selection provisions. Also in 2015, the ABA Committee on Corporate Laws amended the MBCA to enable forum selection provisions. CARC believes the ability to designate the courts in which internal corporate claims may be brought would confer a number of benefits to Washington corporations and their shareholders.

Drop-down transactions

An asset “drop-down” transaction is one in which a corporation transfers assets to a wholly-owned subsidiary generally for tax and other corporate structuring reasons. In Washington, asset drop-down transactions generally may only be completed following approval by the parent corporation’s shareholders. However, it is unclear under the WBCA whether the assets of the subsidiary should also be deemed to be assets of the parent corporation for purposes of the shareholder approval requirement that applies to the sale or other disposition of all or substantially all of a corporation’s assets. Both Delaware law and the MBCA specifically permit the parent corporation’s board of directors to approve an asset drop-down transaction without obtaining approval of the parent corporation’s shareholders, and impose a requirement for parent corporation shareholder approval on a subsequent transfer of those assets by the subsidiary. CARC believes Washington corporate law practitioners, corporations, and their shareholders would benefit from the adoption of changes to the WBCA to clarify that approval of an asset drop-down transaction by the parent corporation’s shareholders is not required, but this shareholder approval is required for a subsequent transfer of those assets by the subsidiary.

Term limits

There are three methods by which shareholders of a Washington corporation may implement an arrangement for the voting of their shares: a voting trust, a shareholders agreement and a voting agreement. The maximum term for a voting trust and the presumptive maximum term for a shareholders agreement is 10 years. There is no maximum term for voting agreements. These term limitations were based entirely on the earliest versions of the MBCA and do not reflect a widely-held modern view that shareholders should have freedom to contract about the voting of their shares. Neither Delaware law nor the current version of the MBCA impose term limits on voting trusts or shareholders agreements. CARC believes shareholders of Washington corporations would benefit from the elimination of the ten-year term limits on voting trusts and shareholders agreements.

Short-form mergers

A short-form merger is a transaction in which a parent corporation owning at least 90 percent of the shares of a subsidiary corporation may effect a merger of the subsidiary and

parent corporation without a vote of the shareholders of either corporation. The WBCA permits a parent corporation to effect a short-form merger of the subsidiary into the parent corporation without a vote of the subsidiary's shareholders (an "upstream merger"), but does not permit the parent corporation to effect a short-form merger itself into the subsidiary without a vote of the subsidiary's shareholders (a "downstream merger"). The need for a short-form downstream merger arises in a variety of contexts, including following the acquisition of an operating subsidiary. At least 33 states, including influential commercial law states such as California, Delaware, and New York, as well as the MBCA permit short-form downstream mergers. CARC believes revisions to the WBCA to permit short-form downstream mergers would promote efficient transactions, preserve shareholder rights, and bring Washington in line with the national trend regarding downstream mergers.

Section Draft Development

The proposed amendments to the WBCA were drafted by the Corporate Act Revision Committee (CARC) of the WSBA Business Law Section. CARC consists of approximately 10-15 members consisting of corporate attorneys practicing at large and smaller local law firms, in-house counsel at Washington corporations, professors of law at two local law schools (including the University of Washington Law School Dean), and representatives of the Secretary of State's Office. CARC was instrumental in the development of the WBCA adopted in 1989, and regularly considers the need for changes to the WBCA in light of developments in the Model Business Corporation Act (MBCA) overseen by the Corporate Laws Committee of the American Bar Association's Business Law Section, corporate laws and practices, judicial decisions, and regulatory actions.

The CARC vote to approve the proposed corporate act amendments was unanimous. The WSBA Business Law Section Executive Committee vote to approve the proposed corporate act amendments was also unanimous.

Stakeholder Response

Stakeholders engaged in the review process include the Washington Bankers Association, the Association of Washington Business, the Washington Association for Justice, the Secretary of State's Office (support), the Department of Financial Institutions (neutral), the WSBA Litigation Section, and the Partnership/LLC Law Committee of the WSBA Business Law Section. No concerns have been expressed.

Legislators contacted regarding this bill include prime sponsor Sen. Jamie Pedersen, Sen. David Frockt, and Rep. Roger Goodman. The Governor's General Counsel as well as staff attorneys for the Senate and House have also been briefed regarding this legislation.

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-0147.3/17 3rd draft

ATTY/TYPIST: JA:eab

BRIEF DESCRIPTION: Concerning the distribution of a Washington trust's assets to another trust.

1 AN ACT Relating to the distribution of a Washington trust's
2 assets to another trust; and adding a new chapter to Title 11 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** DEFINITIONS. The definitions in this
5 section apply throughout this chapter unless the context clearly
6 requires otherwise.

7 (1) "Ascertainable standard" means a standard relating to an
8 individual's health, education, support, or maintenance within the
9 meaning of Title 26 U.S.C. Sec. 2041(b)(1)(A) or 2514(c)(1) of the
10 federal internal revenue code and any applicable regulations, as
11 amended, as of the effective date of this section.

12 (2) "Charitable interest" means an interest in a trust that:

13 (a) Is held by an expressly identified charitable organization
14 and makes the organization a qualified beneficiary;

15 (b) Benefits charitable organizations and, if the interest were
16 held by an expressly identified charitable organization, would make
17 the organization a qualified beneficiary; or

18 (c) Is held solely for charitable purposes and, if the interest
19 were held by an expressly identified charitable organization, would
20 make the organization a qualified beneficiary.

1 (3) "Decanting power" or "the decanting power" means the power of
2 a trustee under this chapter to distribute income and principal of a
3 first trust to one or more second trusts or to modify the terms of
4 the first trust.

5 (4) "Expanded discretion" means a discretionary power of
6 distribution that is not limited to an ascertainable standard or a
7 reasonably definite standard.

8 (5) "First trust" means a trust over which a trustee may exercise
9 the decanting power.

10 (6) "Limited discretion" means a discretionary power of
11 distribution that is limited to an ascertainable standard or a
12 reasonably definite standard.

13 (7) "Person" means an individual, estate, business or nonprofit
14 entity, public corporation, government or governmental subdivision,
15 agency, or instrumentality, or other legal entity.

16 (8) "Qualified beneficiary" means a beneficiary that on the date
17 of qualification is described in RCW 11.98.002(2).

18 (9) "Reasonably definite standard" means a clearly measurable
19 standard under which a holder of a power of distribution is legally
20 accountable within the meaning of Title 26 U.S.C. Sec. 674(b)(5)(A)
21 of the federal internal revenue code and any applicable regulations,
22 as amended, as of the effective date of this section.

23 (10) "Second trust" means:

24 (a) A first trust after modification under this chapter; or

25 (b) A trust to which a distribution of income and principal from
26 a first trust is or may be made under this chapter.

27 NEW SECTION. **Sec. 2.** DECANTING POWER UNDER EXPANDED DISCRETION.

28 (1) Subject to (a) of this subsection and section 7 of this act, a
29 trustee that has expanded discretion to distribute the principal of a
30 first trust to one or more current beneficiaries may exercise the
31 decanting power over the principal of the first trust, subject to the
32 following:

33 (a) Except as provided in section 6 of this act, a second trust
34 may not in an exercise of the decanting power under this section:

35 (i) Include as a current beneficiary a person that is not a
36 current beneficiary of the first trust, except as otherwise provided
37 in (b) of this subsection;

38 (ii) Include as a presumptive remainder beneficiary or successor
39 beneficiary a person that is not a current beneficiary, presumptive

1 remainder beneficiary, or successor beneficiary of the first trust,
2 except as otherwise provided in (b) of this subsection; or

3 (iii) Reduce or eliminate a vested interest;

4 (b) Subject to (a)(iii) of this subsection and section 7 of this
5 act, a second trust may in an exercise of the decanting power under
6 this section:

7 (i) Retain a power of appointment granted in the first trust;

8 (ii) Omit a power of appointment granted in the first trust,
9 other than a presently exercisable general power of appointment;

10 (iii) Create or modify a power of appointment if the powerholder
11 is a current beneficiary of the first trust and the trustee has
12 expanded discretion to distribute principal to the current
13 beneficiary; and

14 (iv) Create or modify a power of appointment if the powerholder
15 is a presumptive remainder beneficiary or successor beneficiary of
16 the first trust, but the exercise of the power may take effect only
17 after the powerholder becomes, or would have become if then living, a
18 current beneficiary;

19 (c) A power of appointment described in (b) of this subsection
20 may be general or nongeneral. The class of permissible appointees in
21 favor of which the power may be exercised may be broader than or
22 different from the beneficiaries of the first trust;

23 (d) In an exercise of the decanting power under this section, a
24 second trust may be a trust created or administered under the law of
25 any jurisdiction; and

26 (e) If a trustee has expanded discretion to distribute part but
27 not all of the principal of a first trust, the trustee may exercise
28 the decanting power under this section only over that part of the
29 principal.

30 (2) The definitions in this subsection apply throughout this
31 section unless the context clearly requires otherwise.

32 (a) "Presumptive remainder beneficiary" means a qualified
33 beneficiary other than a current beneficiary.

34 (b) "Successor beneficiary" means a beneficiary that on the date
35 of the beneficiary's qualification is determined not to be a
36 qualified beneficiary. The term does not include a person that is a
37 beneficiary only because the person holds a nongeneral power of
38 appointment.

39 (c) "Vested interest" means:

1 (i) A right to a mandatory distribution that is noncontingent as
2 of the date of the exercise of the decanting power;

3 (ii) A current and noncontingent right, annually or more
4 frequently, to either a mandatory distribution of income or to
5 withdraw income, a specified dollar amount, or a percentage of value
6 of some or all of the trust income or principal;

7 (iii) A presently exercisable general power of appointment; or

8 (iv) A right to receive an ascertainable part of the trust
9 principal on trust termination that is not subject to the exercise of
10 discretion or the occurrence of a specified event that is not certain
11 to occur.

12 NEW SECTION. **Sec. 3.** DECANTING POWER UNDER LIMITED DISCRETION.

13 Subject to section 7 of this act, a trustee that has limited
14 discretion to distribute the principal of a first trust to one or
15 more current beneficiaries may exercise the decanting power over the
16 principal of the first trust, subject to the following:

17 (1) Second trusts under this section, in the aggregate, must
18 grant each beneficiary of the first trust beneficial interests in the
19 second trusts which are substantially similar to the beneficial
20 interests of the beneficiary in the first trust;

21 (2) A power to make a distribution under the second trust for the
22 benefit of a beneficiary who is an individual is substantially
23 similar to a power under the first trust to make a distribution
24 directly to the beneficiary. A distribution is for the benefit of a
25 beneficiary if:

26 (a) The distribution is made for the benefit of the beneficiary;

27 (b) The beneficiary is incapacitated or otherwise under a legal
28 disability or the trustee reasonably believes the beneficiary is
29 incapacitated or under a legal disability, and the distribution is
30 made as permitted by the first trust instrument or otherwise as
31 permitted by law; or

32 (c) The distribution is made as permitted under the terms of the
33 first trust instrument and the second trust instrument for the
34 benefit of the beneficiary;

35 (3) In an exercise of the decanting power under this section, a
36 second trust may be a trust created or administered under the law of
37 any jurisdiction; and

38 (4) If a trustee has limited discretion to distribute part but
39 not all of the principal of a first trust, the trustee may exercise

1 the decanting power under this section only over that part of the
2 principal.

3 NEW SECTION. **Sec. 4.** DECANTING STATUTE—PROCEDURE TO EXERCISE
4 DECANTING POWER. (1) The trustee of the first trust may exercise the
5 decanting power under sections 2 and 3 of this act if:

6 (a) The trustee determines that the exercise of the decanting
7 power is consistent with the trustee's fiduciary duties described in
8 section 8(1) of this act; and

9 (b) The trustee gives written notice of the trustee's intention
10 to exercise the decanting power to each qualified beneficiary, each
11 holder of a presently exercisable power of appointment over any part
12 of the first trust, and each person that currently has the right to
13 remove or replace the trustee not less than sixty days prior to the
14 effective date of the exercise.

15 (2) The trustee of the first trust, qualified beneficiaries, and
16 any other party as defined by RCW 11.96A.030(5) may agree to exercise
17 by the trustee of the decanting power by means of a binding agreement
18 under RCW 11.96A.220.

19 (3) The trustee of the first trust, a qualified beneficiary, a
20 holder of a presently exercisable power of appointment over any part
21 of the first trust, and a person that currently has the right to
22 remove or replace the trustee may petition the court under chapter
23 11.96A RCW regarding exercise of the decanting power for the
24 following relief, to:

25 (a) Provide instructions to the trustee regarding whether a
26 proposed exercise of the decanting power is permitted under this
27 chapter and consistent with the fiduciary duties of the trustee;

28 (b) Approve an exercise of the decanting power;

29 (c) Determine that a proposed or attempted exercise of the
30 decanting power is ineffective because the proposed or attempted
31 exercise does not or did comply with this chapter or the proposed or
32 attempted exercise would be or was an abuse of the trustee's
33 discretion or a breach of fiduciary duty; or

34 (d) Order other relief to carry out the purposes of this chapter.

35 (4) The trustee of the first trust may petition the court under
36 chapter 11.96A RCW regarding exercise of the decanting power for the
37 following relief:

38 (a) An increase of the trustee's compensation under section
39 7(2)(a)(ii) of this act; or

1 (b) Modification under section 7(4)(b) of this act of a provision
2 granting a person the right to remove or replace the trustee.

3 (5) If there is at least one qualified beneficiary who is not a
4 minor or who has a representative, the trustee is not required to
5 give notice under subsection (1)(b) of this section to a qualified
6 beneficiary who is a minor and has no representative. If all
7 qualified beneficiaries are minors and none has a representative, the
8 trustee must petition for appointment of a guardian ad litem under
9 RCW 11.98A.160.

10 (6) The trustee is not required to give notice under this section
11 to a person who is not known to the trustee or is known to the
12 trustee but cannot be located by the trustee after reasonable
13 diligence.

14 (7) A notice under subsection (1) of this section or petition
15 under subsection (3) or (4) of this section must:

16 (a) Specify the manner in which the trustee must exercise the
17 decanting power;

18 (b) Specify the proposed effective date for exercise of the
19 decanting power;

20 (c) Include a copy of all governing instruments of the first
21 trust; and

22 (d) Include a copy of all governing instruments of the second
23 trust. An exercise of the decanting power under this section must be
24 made in a record signed by the trustee; for this purpose, a "record
25 signed by the trustee" must include a court order under subsection
26 (3) of this section.

27 (8) The decanting power may be exercised before expiration of the
28 notice period under subsection (1) of this section if all persons
29 entitled to receive notice waive the period in writing. An exercise
30 of the decanting power is not ineffective because of the failure to
31 give notice to one or more persons under subsection (1) of this
32 section if the trustee acted with reasonable care to comply with this
33 section.

34 NEW SECTION. **Sec. 5.** DECANTING STATUTE—EFFECTS AND CONSEQUENCES
35 OF AN EXERCISE OF THE DECANTING POWER. (1) A trustee or other person
36 that reasonably relies on the validity of a distribution of part or
37 all of the income and principal of a trust to another trust, or a
38 modification of a trust, under this chapter or the law of another

1 jurisdiction is not liable to any person for any action or failure to
2 act as a result of the reliance.

3 (2) A debt, liability, or other obligation enforceable against
4 income and principal of a first trust is enforceable to the same
5 extent against that income and principal when held by the second
6 trust after exercise of the decanting power.

7 (3) For purposes of the law of this state other than this chapter
8 and subject to this subsection, a settlor of a first trust is deemed
9 to be the settlor of the second trust with respect to the portion of
10 the principal of the first trust subject to the exercise of the
11 decanting power. In determining settlor intent with respect to a
12 second trust, the intent of a settlor of the first trust and the
13 intent of a settlor of the second trust, if different, may be
14 considered. The intent of the trustee may also be considered.

15 (4) If the trustee intends to distribute all of the principal of
16 a first trust to a second trust and the trustee makes a good faith
17 effort to do so, the distribution of all of the principal of a first
18 trust to a second trust includes subsequently discovered assets
19 otherwise belonging to the first trust and principal paid to or
20 acquired by the first trust after the distribution of the first
21 trust's principal. If the trustee does not intend to distribute all
22 of the principal of a first trust to a second trust, the distribution
23 of part of the principal of a first trust to a second trust does not
24 include subsequently discovered assets belonging to the first trust
25 or principal paid to or acquired by the first trust after the
26 distribution of principal from the first trust to the second trust,
27 and those assets or that principal remain the assets or principal of
28 the first trust.

29 (5) A reference under this title to a trust instrument or to
30 terms of the trust includes the second trust, the second trust
31 instrument, and the terms of the second trust.

32 (6) The title to all real estate and other property, both
33 tangible and intangible, owned by the first trust remains vested in
34 the second trust without reversion or impairment.

35 (7) An action or proceeding pending by or against the first trust
36 may be continued by or against the second trust as if the decanting
37 had not occurred.

38 (8) Except as otherwise provided by this chapter, all of the
39 rights, privileges, immunities, powers, and purposes of the first
40 trust remain vested in the second trust.

1 NEW SECTION. **Sec. 6.** DECANTING STATUTE—TRUST FOR BENEFICIARY
2 WITH A DISABILITY. (1) The definitions in this subsection apply
3 throughout this section unless the context clearly requires
4 otherwise.

5 (a) "Beneficiary with a disability" means a beneficiary of the
6 first trust who the trustee believes may qualify for governmental
7 benefits based on disability, whether or not the beneficiary
8 currently receives those benefits or is an individual who is
9 incapacitated within the meaning of RCW 11.88.010.

10 (b) "Governmental benefits" means financial aid or services from
11 a state, federal, or other public agency.

12 (c) "Special needs trust" means a trust the trustee believes
13 would not be considered a resource for purposes of determining
14 whether the beneficiary with a disability is eligible for
15 governmental benefits.

16 (2) A trustee may exercise the decanting power under sections 2
17 and 3 of this act over the property of the first trust as if the
18 trustee had authority to distribute principal to a beneficiary with a
19 disability subject to expanded discretion if:

20 (a) The second trust is a special needs trust that benefits the
21 beneficiary with a disability; and

22 (b) The trustee determines that exercise of the decanting power
23 will further the purposes of the first trust.

24 (3) In an exercise of the decanting power under this section, the
25 following rules apply:

26 (a) The interest in the second trust of a beneficiary with a
27 disability may:

28 (i) Be a pooled trust as defined by medicaid law for the benefit
29 of the beneficiary with a disability under 42 U.S.C. Sec.
30 1369p(d)(4)(C), as amended; or

31 (ii) Contain payback provisions complying with reimbursement
32 requirements of medicaid law under 42 U.S.C. Sec. 1369p(d)(4)(A), as
33 amended.

34 (b) Section 2(1)(a)(iii) of this act does not apply to the
35 interests of the beneficiary with a disability.

36 (c) Except as affected by any change to the interests of the
37 beneficiary with a disability, the second trusts, in the aggregate,
38 must grant each other beneficiary of the first trust beneficial
39 interests in the second trusts which are substantially similar to the
40 beneficiary's beneficial interests in the first trust.

1 NEW SECTION. **Sec. 7.** DECANTING STATUTE—SPECIFIC PROHIBITIONS.

2 (1) A trustee may not exercise the decanting power to the extent the
3 first trust instrument expressly prohibits exercise of the decanting
4 power or a power granted by state law to the trustee to modify the
5 trust including, but not limited to, modification pursuant to chapter
6 11.96A RCW, and any exercise of the decanting power is subject to the
7 prohibition and the prohibition must be included in the second trust
8 instrument or modified first trust instrument. If the first trust
9 instrument contains an express restriction on exercise of the
10 decanting power or such a power to modify the trust, the exercise of
11 the decanting power is subject to the restriction and the restriction
12 must be included in the second trust instrument or modified first
13 trust instrument.

14 (2)(a) Whether or not a first trust instrument specifies a
15 trustee's compensation, the trustee may not exercise the decanting
16 power to increase the trustee's compensation beyond any compensation
17 specified or above the compensation permitted by RCW 11.98.070(26)
18 unless:

19 (i) All qualified beneficiaries of the second trust consent to
20 the increase in a signed record; or

21 (ii) The increase is approved by the court.

22 (b) A change in a trustee's compensation which is incidental to
23 other changes made by the exercise of the decanting power is not an
24 increase in the trustee's compensation for purposes of this
25 subsection (2).

26 (3) Except as otherwise provided in subsection (2)(a)(i) or (ii)
27 or (b) of this section, a second trust instrument may not relieve a
28 trustee from liability for breach of trust to a greater extent than
29 the first trust instrument.

30 (a) A second trust instrument may provide for indemnification of
31 a trustee of the first trust or another person acting in a fiduciary
32 capacity under the first trust for any liability or claim that would
33 have been payable from the first trust if the decanting power had not
34 been exercised.

35 (b) A second trust instrument may not reduce fiduciary liability
36 in the aggregate.

37 (c) Subject to (b) of this subsection, a second trust instrument
38 may divide and reallocate fiduciary powers among fiduciaries,
39 including one or more trustees or statutory trust advisors, and
40 relieve a fiduciary from liability for an act or failure to act of

1 another fiduciary as permitted by law of this state other than this
2 chapter. This includes but is not limited to directed trusts.

3 (4) A trustee may not exercise the decanting power to modify a
4 provision in the first trust instrument granting another person power
5 to remove or replace the trustee unless:

6 (a) All qualified beneficiaries of the second trust consent to
7 the modification in a signed record; or

8 (b) The court approves the modification and the modification
9 grants a substantially similar power to another person.

10 (5) A second trust may have a duration that is the same as or
11 different from the duration of the first trust. Notwithstanding the
12 foregoing, to the extent that income and principal of a second trust
13 is attributable to income and principal of the first trust, the
14 second trust is subject to any maximum perpetuity, accumulation, or
15 suspension of the power of alienation rules that were applicable to
16 income and principal of the first trust.

17 (6) If a first trust contains a charitable interest, the attorney
18 general has the rights of a qualified beneficiary and may represent
19 and bind the charitable interest and the attorney general has the
20 authority to participate in any proceedings in accordance with
21 chapter 11.110 RCW. If a first trust contains a charitable interest,
22 the second trusts, in the aggregate, may not:

23 (a) Diminish the charitable interest;

24 (b) Diminish the interest of an expressly identified charitable
25 organization that holds the charitable interest; or

26 (c) Alter any charitable purpose stated in the first trust
27 instrument.

28 (7) If the first trust contains assets that qualified, or would
29 have qualified but for the provisions of this chapter other than this
30 subsection, for a tax benefit as defined in this subsection, the
31 second trust instrument must not include or omit a term which would
32 have prevented the first trust from qualifying in the same manner
33 for, or would have reduced the amount of, that tax benefit.

34 (a) For the purposes of this subsection, "tax benefit" includes
35 any federal or state tax deduction, exemption, exclusion, or other
36 tax benefit under federal or state statute, regulation, or other law,
37 except for the benefit of being a grantor trust other than under
38 Title 26 U.S.C. Sec. 672(f)(2)(A) of the federal internal revenue
39 code, as amended, as of the effective date of this section, including
40 but not limited to the following:

1 (i) The marital deduction for gift, estate, or inheritance tax
2 purposes, including but not limited to the deductions under Title 26
3 U.S.C. Sec. 2056 of the federal internal revenue code, as amended, as
4 of the effective date of this section, and RCW 83.100.047;

5 (ii) The charitable deduction for purposes of the income, gift,
6 or estate tax under the internal revenue code or a state income,
7 gift, estate, or inheritance tax;

8 (iii) The exclusion from the gift tax described in 26 U.S.C. Sec.
9 2503(b), including by application of Title 26 U.S.C. Sec. 2503(c) of
10 the internal revenue code, as amended;

11 (iv) Status as a permitted shareholder in an S corporation, as
12 defined in Title 26 U.S.C. Sec. 1361 of the federal internal revenue
13 code, as amended, as of the effective date of this section, including
14 as a qualified subchapter S trust within the meaning of Title 26
15 U.S.C. Sec. 1361(c)(2) of the federal internal revenue code;

16 (v) Qualification for a zero inclusion ratio for purposes of the
17 generation-skipping transfer tax under Title 26 U.S.C. Sec. 2642(c)
18 of the federal internal revenue code, as amended, as of the effective
19 date of this section;

20 (vi) Meeting required minimum distribution and any similar
21 requirements under Title 26 U.S.C. Sec. 401(a)(9) of the federal
22 internal revenue code, as amended, as of the effective date of this
23 section, and any applicable regulations; or

24 (vii) Qualification as a grantor trust because of the application
25 of Title 26 U.S.C. Sec. 672(f)(2)(A) of the federal internal revenue
26 code, as amended, as of the effective date of this section.

27 (b) Subject to (a)(vii) of this subsection, the second trust may
28 be a nongrantor trust, even if the first trust is a grantor trust,
29 and except as otherwise provided in this subsection (7)(b) the second
30 trust may be a grantor trust, even if the first trust is a nongrantor
31 trust. The trustee may not exercise the decanting power if the
32 settlor objects in a written instrument delivered to the trustee
33 within the notice period under section 4(1)(b) of this act; and

34 (i)(A) The first trust and second trust are both grantor trusts,
35 in whole or in part;

36 (B) The first trust grants the settlor or another person the
37 power to cause the first trust to cease to be a grantor trust; and

38 (C) The second trust does not grant an equivalent power to the
39 settlor or other person; or

1 (ii) The first trust is a nongrantor trust and the second trust
2 is a grantor trust, in whole or in part, with respect to the settlor
3 unless:

4 (A) The settlor has the power at all times to cause the second
5 trust to cease to be a grantor trust; or

6 (B) The first trust instrument contains a provision granting the
7 settlor or another person the power to cause the first trust to cease
8 to be a grantor trust and the second trust instrument contains the
9 same provision.

10 (8) A trustee may not exercise the decanting power if RCW
11 11.98.200 applies to the first trust and exercise would cause RCW
12 11.98.200 not to apply to the second trust or modified first trust
13 instrument.

14 (9) A general prohibition of the amendment or revocation of a
15 first trust, a spendthrift clause, or a clause restraining the
16 voluntary or involuntary transfer of a beneficiary's interest does
17 not preclude exercise of the decanting power.

18 NEW SECTION. **Sec. 8.** MISCELLANEOUS. (1) This chapter applies to
19 any express trust, within the meaning of RCW 11.98.009, other than a
20 trust during such time as the grantor has retained the right to
21 revoke or amend. In exercising the decanting power, the trustee must
22 act in accordance with the trustee's fiduciary duties, including the
23 duty to act in accordance with the purposes of the first trust.
24 Except as otherwise provided in the first trust instrument, for
25 purposes of this chapter the terms of the first trust are deemed to
26 include the decanting power.

27 (2) This chapter does not limit the power of a trustee,
28 powerholder, or other person to distribute or appoint income and
29 principal in further trust or to modify a trust under the trust
30 instrument, law of this state other than this title, a court order,
31 or a nonjudicial agreement. This chapter does not increase or modify
32 the requirements for a binding agreement under RCW 11.96A.220 or the
33 requirements for a directed trust under chapter 11.98A RCW. This
34 chapter does not affect the ability of a settlor to provide in a
35 trust instrument for the distribution or appointment in further trust
36 of the trust income and principal or for modification of the trust
37 instrument.

38 (3) This chapter does not apply to a trust held solely for
39 charitable purposes.

1 (4) This chapter does not create or imply a duty to exercise the
2 decanting power or to inform beneficiaries about the applicability of
3 this chapter.

4 (5) This chapter applies to a trust created before, on, or after
5 the effective date of this section that:

6 (a) Has its situs in this state, including a trust whose situs
7 has been changed to this state; or

8 (b) Provides by its trust instrument that it is governed by the
9 law of this state or is governed by the law of this state for
10 purposes of:

11 (i) Administration, including a trust whose governing law for
12 purposes of administration has been changed to the law of this state;

13 (ii) Construction of terms of the trust; or

14 (iii) Determining the meaning or effect of terms of the trust.

15 (6) A trustee may exercise the decanting power whether or not the
16 trustee would have made or could have been compelled to make a
17 discretionary distribution of principal at the time of the exercise.

18 (7) If exercise of the decanting power would be effective under
19 this chapter except that the second trust instrument in part does not
20 comply with this chapter, the exercise of the decanting power is
21 effective and the following rules apply to the principal of the first
22 trust subject to the exercise of the power:

23 (a) A provision in the second trust instrument which is not
24 permitted under this chapter is void to the extent necessary to
25 comply with this chapter.

26 (b) A provision required by this chapter to be in the second
27 trust instrument which is not contained in the instrument is deemed
28 to be included in the instrument to the extent necessary to comply
29 with this chapter.

30 (8) If a trustee of a second trust discovers that subsection (7)
31 of this section applies to a prior exercise of the decanting power,
32 the trustee must take such appropriate corrective action as is
33 consistent with the trustee's duties.

34 NEW SECTION. **Sec. 9. SEVERABILITY.** If any provision of this act
35 or its application to any person or circumstance is held invalid, the
36 remainder of the act or the application of the provision to other
37 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 10.** Sections 1 through 8 of this act
2 constitute a new chapter in Title 11 RCW.

--- END ---

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-0146.2/17 2nd draft

ATTY/TYPIST: KS:eab

BRIEF DESCRIPTION: Concerning the business corporation act.

1 AN ACT Relating to the business corporation act; amending RCW
2 23B.12.010, 23B.12.020, 23B.07.050, 23B.13.020, 23B.07.300,
3 23B.07.320, 23B.11.040, and 23B.19.020; reenacting and amending RCW
4 23B.01.400; adding a new section to chapter 23B.02 RCW; and adding a
5 new chapter to Title 23B RCW.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** DEFINITIONS. As used in this chapter:

8 (1) "Date of the defective corporate action" means the date the
9 defective corporate action was purported to have been taken, or, if
10 the exact date is unknown, the approximate date thereof.

11 (2) "Defective corporate action" means (a) any corporate action
12 purportedly taken that is, and at the time such corporate action was
13 purportedly taken would have been, within the power of the
14 corporation, but is void or voidable due to a failure of
15 authorization, and (b) an overissue.

16 (3) "Failure of authorization" means the failure to authorize,
17 approve, or otherwise effect a corporate action in compliance with
18 the provisions of this title, the articles of incorporation or bylaws
19 of the corporation, a corporate resolution, or any plan or agreement
20 to which the corporation is a party, if and to the extent such
21 failure would render such corporate action void or voidable.

1 (4) "Overissue" means the purported issuance of:

2 (a) Shares of a class or series in excess of the number of shares
3 of a class or series the corporation was authorized to issue in
4 accordance with RCW 23B.06.010 at the time of such purported
5 issuance; or

6 (b) Shares of any class or series that was not authorized for
7 issuance by the articles of incorporation at the time of such
8 purported issuance.

9 (5) "Putative shares" means the shares of any class or series of
10 the corporation (including shares issuable upon exercise of rights,
11 options, warrants, or other securities convertible into shares of the
12 corporation, or interests with respect thereto) that were purportedly
13 created or issued as a result of a defective corporate action, that:

14 (a) But for any failure of authorization would constitute valid
15 shares; or

16 (b) Cannot be determined by the board of directors to be valid
17 shares.

18 (6) "Valid shares" means the shares of any class or series of the
19 corporation that have been duly authorized and validly issued in
20 accordance with this title, including as a result of ratification or
21 validation in accordance with this chapter.

22 (7)(a) "Validation effective time," with respect to any defective
23 corporate action ratified or validated in accordance with this
24 chapter, means the later of:

25 (i) The time at which the ratification of the defective corporate
26 action is approved by shareholders, or if approval of shareholders is
27 not required, the time at which the notice required by section 5 of
28 this act becomes effective in accordance with RCW 23B.01.410; and

29 (ii) The time at which any articles of validation filed in
30 accordance with section 7 of this act become effective.

31 (b) The validation effective time will not be affected by the
32 commencement or pendency of any proceeding in accordance with section
33 8(1)(b) of this act or otherwise, unless otherwise ordered by the
34 court.

35 NEW SECTION. **Sec. 2.** DEFECTIVE CORPORATE ACTIONS. (1) A
36 defective corporate action is not void or voidable solely as a result
37 of a failure of authorization if ratified in accordance with section
38 3 of this act or validated in accordance with section 8 of this act.

(2) Ratification under section 3 of this act or validation under section 8 of this act is not the exclusive means of ratifying or validating any defective corporate action, and the absence or failure of ratification or validation in accordance with this chapter does not, of itself, affect the validity or effectiveness of any corporate action properly ratified under common law or otherwise, nor does it create a presumption that any such corporate action is or was a defective corporate action or void or voidable.

NEW SECTION. **Sec. 3.** RATIFICATION OF DEFECTIVE CORPORATE ACTIONS. (1) Except as otherwise required by subsection (2) of this section, to ratify a defective corporate action under this chapter, the board of directors must adopt a resolution stating:

(a) The defective corporate action to be ratified and, if the defective corporate action involved the purported issuance of putative shares, the number and class or series of putative shares purportedly issued;

(b) The date of the defective corporate action and, if the defective corporate action involved the purported issuance of putative shares, the date or dates on which the putative shares were purportedly issued;

(c) The nature of the failure of authorization with respect to the defective corporate action to be ratified; and

(d) That the ratification of the defective corporate action is approved.

(2) To ratify a defective corporate action under this chapter involving the election of the initial board of directors of the corporation under RCW 23B.02.050(1)(b), a majority of the persons who, at the time of the ratification, are exercising the powers of directors must adopt a resolution stating:

(a) The name of the person or persons who first purportedly approved corporate action as initial directors of the corporation;

(b) The earlier of the date on which that person or those persons first purportedly approved corporate action or purportedly were elected as initial directors; and

(c) That the ratification of the election of that person or those persons as the initial directors of the corporation is approved.

(3) If any provision of this title, the articles of incorporation or bylaws, any corporate resolution, or any plan or agreement to which the corporation is a party at the time the resolution required

1 by subsection (1) of this section is adopted, would have required
2 shareholder approval of the defective corporate action to be
3 ratified, either on the date of the defective corporate action or at
4 the time the resolution required by subsection (1) of this section is
5 adopted, for the ratification of the defective corporate action to be
6 approved:

7 (a) The board of directors must submit the ratification of the
8 defective corporate action for approval by the shareholders in
9 accordance with section 4 of this act;

10 (b) The board of directors must recommend the ratification of the
11 defective corporate action to the shareholders unless (i) the board
12 of directors determines that because of conflict of interest or other
13 special circumstances it should make no recommendation or (ii) RCW
14 23B.08.245 applies, and in either case the board of directors
15 communicates the basis for so proceeding to the shareholders; and

16 (c) The shareholders entitled to vote must approve the
17 ratification of the defective corporate action as provided in section
18 4 of this act.

19 NEW SECTION. **Sec. 4.** QUORUM AND VOTING REQUIREMENTS FOR
20 RATIFICATION. (1) The quorum and voting requirements applicable to
21 the adoption by the board of directors of the resolution required by
22 section 3(1) of this act are the quorum and voting requirements that
23 would be applicable if the defective corporate action was being
24 approved at the time the resolution required by section 3(1) of this
25 act is adopted.

26 (2) Except as provided in subsection (3) of this section, the
27 quorum and voting requirements applicable to the approval by
28 shareholders of the ratification of the defective corporate action
29 required by section 3(3) of this act are the quorum and voting
30 requirements that would be applicable if the defective corporate
31 action was being approved at the time the ratification of the
32 defective corporate action is approved.

33 (3) The approval by shareholders of the ratification of a
34 defective corporate action under this chapter involving the election
35 of directors requires that the votes cast within a voting group
36 favoring such ratification exceed the votes cast within the voting
37 group opposing such ratification at a meeting at which a quorum is
38 present.

1 (4) Putative shares on the record date for determining the
2 shareholders entitled to vote on any matter submitted to shareholders
3 in accordance with section 3(3) of this act (and without giving
4 effect to any ratification of a defective corporate action involving
5 the purported issuance of putative shares that would become valid
6 shares as a result of the approval of such matter) are neither
7 entitled to vote nor to be counted for quorum purposes in any vote to
8 approve the ratification of any defective corporate action.

9 (5) If the ratification of a defective corporate action involving
10 the purported issuance of putative shares would result in an
11 overissue, in addition to the approval required by section 3 of this
12 act, the board of directors and shareholders must approve an
13 amendment to the articles of incorporation in accordance with chapter
14 23B.10 RCW to increase the number of shares of a class or series that
15 the corporation is authorized to issue or to create a class or series
16 of shares that the corporation is authorized to issue so there would
17 be no overissue.

18 NEW SECTION. **Sec. 5.** NOTICE OF RATIFICATION OR VALIDATION. (1)
19 If the ratification of a defective corporate action does not require
20 approval of the shareholders under section 3(3) of this act:

21 (a) The corporation shall notify, promptly after the adoption of
22 the resolution described in section 3 (1) or (2) of this act, each
23 holder of valid shares and putative shares, whether or not entitled
24 to vote, as of the date of the adoption of that resolution by the
25 board of directors, that the ratification of a defective corporate
26 action has been approved by the board of directors pursuant to
27 section 3 of this act. This notice must also be given to each person
28 who was a holder of valid shares or putative shares, whether or not
29 entitled to vote, as of the date of the defective corporate action,
30 other than to those persons whose identities or addresses for notice
31 cannot be determined from the records of the corporation.

32 (b) The notice specified in (a) of this subsection must contain
33 or be accompanied by (i) a copy of the resolution adopted by the
34 board of directors in accordance with section 3 (1) or (2) of this
35 act, or (ii) the information required by section 3 (1)(a) through (d)
36 or (2)(a) through (c) of this act, as applicable. This notice must
37 also include a statement that any action before a court to determine
38 whether the ratification of the defective corporate action complied

1 with the requirements imposed by this chapter must be brought within
2 sixty days from the validation effective time.

3 (2) If the ratification of a defective corporate action requires
4 approval of the shareholders under section 3(3) of this act, and if
5 the approval of the shareholders is to be given at a meeting:

6 (a) The corporation shall notify each holder of valid shares and
7 putative shares, whether or not entitled to vote, as of the record
8 date for the meeting, of the proposed meeting of shareholders at
9 which the ratification is to be submitted for approval in accordance
10 with RCW 23B.07.050. This notice must also be given to each person
11 who was a holder of valid shares or putative shares, whether or not
12 entitled to vote, as of the date of the defective corporate action,
13 other than to those persons whose identities or addresses for notice
14 cannot be determined from the records of the corporation; and

15 (b) The notice specified in (a) of this subsection must state
16 that the purpose, or one of the purposes, of the meeting is to
17 consider ratification of a defective corporate action and must
18 contain or be accompanied by (i) a copy of the resolution adopted by
19 the board of directors in accordance with section 3(1) of this act,
20 or (ii) the information required by section 3(1) (a) through (d) of
21 this act. This notice must also include a statement that any action
22 before a court to determine whether the ratification of the defective
23 corporate action complied with the requirements imposed by this
24 chapter must be brought within sixty days from the validation
25 effective time.

26 (3) If the ratification of a defective corporate action requires
27 approval of the shareholders under section 3(3) of this act, and if
28 the approval of the shareholders is to be without a meeting or a vote
29 in accordance with RCW 23B.07.040:

30 (a) The corporation or the person soliciting consents shall give
31 the notice required under RCW 23B.07.040(3)(a) and the corporation
32 shall give the notice required under RCW 23B.07.040(3)(b) to each
33 holder of valid shares and putative shares, whether or not entitled
34 to vote, as of the record date for the shareholder consent. These
35 notices must also be given to each person who was a holder of valid
36 shares or putative shares, whether or not entitled to vote, as of the
37 date of the defective corporate action, other than to those persons
38 whose identities or addresses for notice cannot be determined from
39 the records of the corporation; and

1 (b) The notices specified in (a) of this subsection must describe
2 the ratification of the defective corporate action being approved and
3 must contain or be accompanied by (i) a copy of the resolution
4 adopted by the board of directors in accordance with section 3 (1) or
5 (2) of this act, or (ii) the information required by section 3 (1)(a)
6 through (d) or (2)(a) through (c) of this act, as applicable. These
7 notices must also include a statement that any action before a court
8 to determine whether the ratification of the defective corporate
9 action complied with the requirements imposed by this chapter must be
10 brought within sixty days from the validation effective time.

11 (4) If a defective corporate action is validated in accordance
12 with section 8 of this act:

13 (a) The corporation shall notify, promptly after the validation,
14 each holder of valid shares and putative shares, whether or not
15 entitled to vote, as of the date of the validation, that the
16 validation of a defective corporate action has taken place pursuant
17 to section 8 of this act. This notice must also be given to each
18 person who was a holder of valid shares or putative shares, whether
19 or not entitled to vote, as of the date of the defective corporate
20 action, other than to those persons whose identities or addresses for
21 notice cannot be determined from the records of the corporation.

22 (b) The notice specified in (a) of this subsection must contain
23 or be accompanied by a copy of the information required by section
24 8(2) of this act.

25 (5) Any notice required by this section may be given in any
26 manner permitted by RCW 23B.01.410 and, for any corporation subject
27 to the reporting requirements of section 13 or 15(d) of the
28 securities exchange act of 1934, as amended, may be given by filing
29 or furnishing the notice with the United States securities and
30 exchange commission.

31 NEW SECTION. Sec. 6. EFFECT OF RATIFICATION OR VALIDATION. From
32 and after the validation effective time:

33 (1) Each defective corporate action ratified in accordance with
34 section 3 of this act or validated in accordance with section 8 of
35 this act:

36 (a) Is not void or voidable as a result of the failure of
37 authorization identified (i) in the resolution adopted by the board
38 of directors in accordance with section 3 (1) or (2) of this act, or
39 (ii) by the court in accordance with section 8(2) of this act; and

1 (b) Is deemed to be a valid corporate action taken on the date of
2 the defective corporate action;

3 (2) The issuance of each putative share or fraction of a putative
4 share purportedly issued pursuant to a defective corporate action
5 identified in the resolution adopted by the board of directors in
6 accordance with section 3(1) of this act or by the court in
7 accordance with section 8(2) of this act is not void or voidable as a
8 result of the failure of authorization identified in that resolution
9 or by that court, and each such putative share or fraction of a
10 putative share is deemed to be an identical valid share or fraction
11 of a valid share issued at the time it was purportedly issued; and

12 (3) Any corporate action taken subsequent to the date of the
13 defective corporate action ratified or validated in accordance with
14 this chapter in reliance on that defective corporate action having
15 been validly taken, and any subsequent defective corporate action
16 resulting directly or indirectly from that original defective
17 corporate action, is deemed to be valid as of the time that corporate
18 action was taken.

19 NEW SECTION. **Sec. 7. FILINGS.** (1) If a defective corporate
20 action ratified or validated under this chapter would have required
21 under any other section of this title a record to be filed with the
22 secretary of state, then, whether or not a record was previously
23 filed in respect of that defective corporate action and in lieu of
24 filing the record otherwise required by this title, the corporation
25 shall deliver to the secretary of state for filing articles of
26 validation setting forth:

27 (a) The defective corporate action that was ratified or validated
28 and, if the defective corporate action involved the purported
29 issuance of putative shares, the number and class or series of
30 putative shares purportedly issued;

31 (b) The date of the defective corporate action that was ratified
32 or validated and, if the defective corporate action involved the
33 purported issuance of putative shares, the date or dates on which the
34 putative shares were purportedly issued;

35 (c) The nature of the failure of authorization with respect to
36 the defective corporate action that was ratified or validated;

37 (d) A statement that the defective corporate action was (i)
38 ratified in accordance with section 3 of this act, including the date
39 on which the board of directors ratified the defective corporate

1 action and the date, if any, on which the shareholders approved the
2 ratification of the defective corporate action, or (ii) validated in
3 accordance with section 8 of this act, including the date on which
4 the court validated the defective corporate action; and

5 (e) The information required by subsection (2) of this section.

6 (2) The articles of validation must also contain the following
7 information:

8 (a) If the corporation previously filed a record in respect of a
9 defective corporate action that was ratified or validated and no
10 changes to that record are required to give effect to the
11 ratification or validation of the defective corporate action in
12 accordance with section 4(5) of this act, the corporation shall (i)
13 describe the record, together with any articles of correction
14 thereto, including its filing date, in the articles of validation,
15 and (ii) attach a copy of the record, together with any articles of
16 correction thereto, to the articles of validation;

17 (b) If the corporation previously filed a record in respect of a
18 defective corporate action that was ratified or validated and any
19 change to that record is required to give effect to the ratification
20 or validation of the defective corporate action in accordance with
21 section 4(5) of this act, the corporation shall (i) describe the
22 previously filed record, together with any articles of correction
23 thereto, including its filing date, (ii) attach a copy of the record
24 containing all of the information required to be included under the
25 applicable section or sections of this title to give effect to the
26 defective corporate action that was ratified or validated to the
27 articles of validation, and (iii) state the date and time that the
28 record is deemed to have become effective; or

29 (c) If the corporation did not previously file a record in
30 respect of a defective corporate action that was ratified or
31 validated and that defective corporate action would have required a
32 filing under any other section of this title, the corporation shall
33 (i) attach a copy of a record containing all of the information
34 required to be included under the applicable section or sections of
35 this title to give effect to the defective corporate action that was
36 ratified or validated to the articles of validation, and (ii) state
37 the date and time that the record is deemed to have become effective.

38 (3) Articles of validation that comply with this section
39 supersede any other record in respect of a defective corporate action

1 that was ratified in accordance with section 3 of this act or
2 validated in accordance with section 8 of this act.

3 NEW SECTION. **Sec. 8.** PROCEEDINGS TO VALIDATE OR CHALLENGE
4 RATIFICATION OF DEFECTIVE CORPORATE ACTIONS. (1) Upon application by
5 the corporation, any successor entity to the corporation, a director
6 of the corporation, or any shareholder of the corporation, including
7 any person who was a shareholder of the corporation as of the date of
8 a defective corporate action, the superior courts may:

9 (a) Validate any defective corporate action that has not been
10 ratified in accordance with section 3 of this act; or

11 (b) Determine that any ratification of a defective corporate
12 action under section 3 of this act is not valid or effective because
13 it failed to comply with the procedural requirements imposed by this
14 chapter.

15 (2) In connection with a proceeding under subsection (1)(a) of
16 this section, the court shall identify the defective corporate action
17 to be validated, including the information required under section 3
18 (1)(a) through (c) or (2)(a) and (b) of this act, as applicable, and
19 may make such findings or orders as it deems proper under the
20 circumstances. In determining whether to validate a defective
21 corporate action under subsection (1)(a) of this section, the court
22 may consider the following:

23 (a) Whether the defective corporate action was originally
24 approved or effectuated with the belief that the approval or
25 effectuation was in compliance with the provisions of this title, the
26 articles of incorporation or bylaws of the corporation, and any
27 corporate resolution or plan or agreement of or to which the
28 corporation is a party that would be relevant in determining whether
29 there was a failure of authorization;

30 (b) Whether the corporation and board of directors has treated
31 the defective corporate action as a valid action or transaction;

32 (c) Whether any person has acted in reliance on the public record
33 that the defective corporate action was valid or would be harmed by
34 the failure to validate the defective corporate action;

35 (d) Whether any person would be harmed by the validation of the
36 defective corporate action, excluding any harm that would have
37 resulted if the defective corporate action had been valid when
38 approved or effectuated; and

1 (e) Any other factors or considerations that the court deems
2 proper in the circumstances.

3 (3) The court shall stay any proceeding brought under subsection
4 (1)(a) of this section during any ratification process under section
5 3 of this act involving the defective corporate action that is the
6 subject of the proceeding until the earlier of:

7 (a) The validation effective time; and

8 (b)(i) If shareholder approval is not required for ratification,
9 the date on which the board of directors votes, but fails to ratify,
10 the defective corporate action, (ii) if shareholder approval is
11 required for ratification in accordance with section 4 of this act
12 and is to be given at a meeting, the date on which the shareholders
13 vote, but fail to ratify, the defective corporate action, or (iii) if
14 shareholder approval is required for ratification in accordance with
15 section 4 of this act and is to be given without a meeting, sixty
16 days after the date of execution indicated on the earliest dated
17 shareholder consent approving the ratification that is delivered to
18 the corporation, even though that shareholder consent may not have
19 been delivered to the corporation on that date, if consents executed
20 by a sufficient number of shareholders to approve the ratification
21 are not delivered to the corporation during that sixty-day period.

22 (4) Notwithstanding any other provision of this section or
23 otherwise under applicable law, any proceeding asserting a claim
24 under subsection (1)(b) of this section must be brought within sixty
25 days after the validation effective time, except that this subsection
26 will not apply to any person to whom notice of the ratification was
27 required to have been given pursuant to section 5 of this act, but to
28 whom such notice was not given. Claims under subsection (1)(b) of
29 this section are to be the exclusive basis for challenging the
30 validity or effectiveness of a defective corporate action ratified
31 under section 3 of this act.

32 (5) Service of process on the corporation for any proceeding
33 under this section may be made in any manner provided by statute of
34 this state or by rule of the court for service on the corporation,
35 and no other party need be joined in order for the court to
36 adjudicate the matter. In a proceeding commenced by the corporation,
37 the court may require notice of the proceeding to be provided to
38 other persons specified by the court and permit such other persons to
39 intervene in the proceeding.

1 (6) For purposes of this section, "shareholder" includes a
2 beneficial owner whose shares are held in a voting trust or held by a
3 nominee on behalf of the beneficial owner.

4 NEW SECTION. **Sec. 9.** A new section is added to chapter 23B.02
5 RCW to read as follows:

6 FORUM SELECTION PROVISIONS. (1) The articles of incorporation or
7 bylaws may contain provisions that require any or all internal
8 corporate proceedings to be commenced and maintained exclusively in
9 any specified court or courts of this state and, if so specified, in
10 any additional courts in this state or in any other jurisdictions
11 with which the corporation has a reasonable relationship.

12 (2) A provision permitted under subsection (1) of this section:

13 (a) May not confer jurisdiction on any court, over any person, or
14 of any proceeding; and

15 (b) May not (i) prohibit commencing or maintaining an internal
16 corporate proceeding in the courts of this state or (ii) require
17 claims asserted in an internal corporate proceeding to be determined
18 by arbitration.

19 (3) If the court or courts of this state specified in a provision
20 permitted under subsection (1) of this section do not have
21 jurisdiction, but any other court or courts specified in the
22 provision do have jurisdiction, then the internal corporate
23 proceeding may be commenced and maintained:

24 (a) In any court of this state that has jurisdiction; or

25 (b) In any other court specified in the provision that has
26 jurisdiction.

27 (4) If no court specified in a provision permitted under
28 subsection (1) of this section has jurisdiction, then the internal
29 corporate proceeding may be commenced and maintained in any court
30 that has jurisdiction.

31 (5) For purposes of this section, "internal corporate proceeding"
32 means (a) any proceeding asserting a claim based on a violation of a
33 duty under the laws of this state by a current or former director,
34 officer, or shareholder in such capacity, (b) any proceeding
35 commenced or maintained in the right of the corporation, (c) any
36 proceeding asserting a claim arising pursuant to any provision of the
37 act or the corporation's articles of incorporation or bylaws, or (d)
38 any proceeding asserting a claim concerning the internal affairs of

1 the corporation that is not included in (a) through (c) of this
2 subsection.

3 **Sec. 10.** RCW 23B.12.010 and 2006 c 52 s 4 are each amended to
4 read as follows:

5 SALE OR OTHER DISPOSITION OF ASSETS IN THE USUAL AND REGULAR
6 COURSE OF BUSINESS AND MORTGAGE OR PLEDGE OF ASSETS—ASSIGNMENT FOR
7 BENEFIT OF CREDITORS. (1) A corporation may on the terms and
8 conditions and for the consideration determined by the board of
9 directors:

10 (a) Sell, lease, exchange, or otherwise dispose of all, or
11 substantially all, of its property and assets in the usual and
12 regular course of its business; or

13 (b) Mortgage, pledge, dedicate to the repayment of indebtedness,
14 whether with or without recourse, or otherwise encumber any or all of
15 its property and assets whether or not any of these actions are in
16 the usual and regular course of its business.

17 (2) Unless the articles of incorporation require it, approval by
18 the shareholders of a transaction described in subsection (1) of this
19 section is not required.

20 (3) A dedication of a corporation's property and assets to the
21 repayment of its creditors may be effected by the board of directors
22 through an assignment for the benefit of creditors in accordance with
23 chapter 7.08 RCW or by obtaining the appointment of a general
24 receiver in accordance with chapter 7.60 RCW, and the assumption of
25 control over the corporation's property and assets by an assignee for
26 the benefit of creditors or by a general receiver relieves the
27 directors of any further duties with respect to the liquidation of
28 the corporation's property and assets or the application of any
29 property and assets or proceeds toward satisfaction of the claims of
30 creditors.

31 **Sec. 11.** RCW 23B.12.020 and 2011 c 328 s 7 are each amended to
32 read as follows:

33 SALE OR OTHER DISPOSITION OF ASSETS OTHER THAN IN THE USUAL AND
34 REGULAR COURSE OF BUSINESS. (1) A corporation may sell, lease,
35 exchange, or otherwise dispose of all, or substantially all, of its
36 property and assets, otherwise than in the usual and regular course
37 of business, on the terms and conditions and for the consideration
38 determined by the corporation's board of directors (~~(, if the board of~~

1 ~~directors proposes and its shareholders approve the proposed~~
2 ~~transaction)).~~ Except as provided in subsection (8) of this section,
3 a transaction described in this subsection requires approval of the
4 corporation's shareholders.

5 (2) For a transaction to be approved by a corporation's
6 shareholders:

7 (a) The board of directors must submit the proposed transaction
8 to the shareholders for their approval;

9 (b) The board of directors must recommend the proposed
10 transaction to the shareholders unless (i) the board of directors
11 determines that because of conflict of interest or other special
12 circumstances it should make no recommendation or (ii) RCW 23B.08.245
13 applies, and in either case the board of directors communicates the
14 basis for so proceeding to the shareholders; and

15 ~~((b))~~ (c) The shareholders entitled to vote must approve the
16 transaction.

17 (3) The board of directors may condition its submission of the
18 proposed transaction on any basis, including the affirmative vote of
19 holders of a specified percentage of shares held by any group of
20 shareholders not otherwise entitled under this title or the articles
21 of incorporation to vote as a separate voting group on the proposed
22 transaction.

23 (4) If the approval of the shareholders is to be given at a
24 meeting, the corporation shall notify each shareholder, whether or
25 not entitled to vote, of the proposed shareholders' meeting at which
26 the proposed transaction is to be submitted for approval in
27 accordance with RCW 23B.07.050. The notice must ~~((also))~~ state that
28 the purpose, or one of the purposes, of the meeting is to consider
29 the sale, lease, exchange, or other disposition of all, or
30 substantially all, of the property and assets of the corporation and
31 contain or be accompanied by a description of the transaction.

32 (5) In addition to any other voting conditions imposed by the
33 board of directors under subsection (3) of this section, the
34 transaction must be approved by two-thirds of the voting group
35 comprising all the votes entitled to be cast on the transaction, and
36 of each other voting group entitled under the articles of
37 incorporation to vote separately on the transaction, unless
38 shareholder approval is not required under subsection (8) of this
39 section. The articles of incorporation may require a greater or
40 lesser vote than provided in this subsection, or a greater or lesser

1 vote by any separate voting groups provided for in the articles of
2 incorporation, so long as the required vote is not less than a
3 majority of all the votes entitled to be cast on the transaction and
4 of each other voting group entitled to vote separately on the
5 transaction.

6 (6) After a sale, lease, exchange, or other disposition of
7 property ~~((is))~~ and assets has been approved as required by this
8 section, the transaction may be abandoned, subject to any contractual
9 rights, without further shareholder approval, in a manner determined
10 by the board of directors.

11 (7) A transaction that constitutes a distribution is governed by
12 RCW 23B.06.400 and not by this section.

13 (8) Unless the articles of incorporation otherwise require,
14 approval by the shareholders of a parent corporation is not required
15 for the transfer of any or all of the parent corporation's property
16 and assets to one or more subsidiary corporations or other entities
17 all of the shares or interests of which are owned, directly or
18 indirectly, by the parent corporation.

19 (9) The sale, lease, exchange, or other disposition of all, or
20 substantially all, the assets of one or more subsidiaries of a
21 corporation, if not in the usual and regular course of business as
22 conducted by that subsidiary or those subsidiaries, is to be treated
23 as a disposition by the parent corporation within the meaning of
24 subsection (1) of this section if the subsidiary or subsidiaries
25 constitute all, or substantially all, the assets of the parent
26 corporation.

27 **Sec. 12.** RCW 23B.01.400 and 2015 c 176 s 2148 and 2015 c 20 s 1
28 are each reenacted and amended to read as follows:

29 Unless the context clearly requires otherwise, the definitions in
30 this section apply throughout this title.

31 (1) "Articles of incorporation" include amended and restated
32 articles of incorporation and articles of merger.

33 (2) "Authorized shares" means the shares of all classes a
34 domestic or foreign corporation is authorized to issue.

35 (3) "Conspicuous" means so prepared that a reasonable person
36 against whom the record is to operate should have noticed it. For
37 example, printing in italics or boldface or contrasting color, or
38 typing in capitals or underlined, is conspicuous.

1 (4) "Controlling interest" means ownership of an entity's
2 outstanding shares or interests in such number as to entitle the
3 holder at the time to elect a majority of the entity's directors or
4 other governors without regard to voting power which may thereafter
5 exist upon a default, failure, or other contingency.

6 (5) "Corporate action" means any resolution, act, policy,
7 contract, transaction, plan, adoption or amendment of articles of
8 incorporation or bylaws, or other matter approved by or submitted for
9 approval to a corporation's incorporators, board of directors or a
10 committee thereof, or shareholders.

11 ((+5+)) (6) "Corporation" or "domestic corporation" means a
12 corporation for profit, including a social purpose corporation, which
13 is not a foreign corporation, incorporated under or subject to the
14 provisions of this title.

15 ((+6+)) (7) "Deliver" includes (a) mailing, (b) for purposes of
16 delivering a demand, consent, notice, or waiver to the corporation or
17 one of its officers, directors, or shareholders, transmission by
18 facsimile equipment, and (c) for purposes of delivering a demand,
19 consent, notice, or waiver to the corporation or one of its officers,
20 directors, or shareholders under RCW 23B.01.410 or chapter 23B.07,
21 23B.08, 23B.11, 23B.13, 23B.14, or 23B.16 RCW delivery by electronic
22 transmission.

23 ((+7+)) (8) "Distribution" means a direct or indirect transfer of
24 money or other property, except its own shares, or incurrence of
25 indebtedness by a corporation to or for the benefit of its
26 shareholders in respect to any of its shares. A distribution may be
27 in the form of a declaration or payment of a dividend; a distribution
28 in partial or complete liquidation, or upon voluntary or involuntary
29 dissolution; a purchase, redemption, or other acquisition of shares;
30 a distribution of indebtedness; or otherwise.

31 ((+8+)) (9) "Effective date of notice" has the meaning provided
32 in RCW 23B.01.410.

33 ((+9+)) (10) "Electronic transmission" means an electronic
34 communication (a) not directly involving the physical transfer of a
35 record in a tangible medium and (b) that may be retained, retrieved,
36 and reviewed by the sender and the recipient thereof, and that may be
37 directly reproduced in a tangible medium by such a sender and
38 recipient.

39 ((+10+)) (11) "Electronically transmitted" means the initiation
40 of an electronic transmission.

1 ~~((+11+))~~ (12) "Employee" includes an officer but not a director.
2 A director may accept duties that make the director also an employee.
3 ~~((+12+))~~ (13) "Entity" includes a corporation and foreign
4 corporation, not-for-profit corporation, business trust, estate,
5 trust, partnership, limited liability company, association, joint
6 venture, two or more persons having a joint or common economic
7 interest, the state, United States, and a foreign governmental
8 subdivision, agency, or instrumentality, or any other legal or
9 commercial entity.
10 ~~((+13+))~~ (14) "Execute," "executes," or "executed" means (a)
11 signed with respect to a written record or (b) electronically
12 transmitted along with sufficient information to determine the
13 sender's identity with respect to an electronic transmission, or (c)
14 with respect to a record to be filed with the secretary of state, in
15 compliance with the standards for filing with the office of the
16 secretary of state as prescribed by the secretary of state.
17 ~~((+14+))~~ (15) "Foreign corporation" means a corporation for
18 profit incorporated under a law other than the law of this state.
19 ~~((+15+))~~ (16) "Foreign limited partnership" means a partnership
20 formed under laws other than of this state and having as partners one
21 or more general partners and one or more limited partners.
22 ~~((+16+))~~ (17) "General social purpose" means the general social
23 purpose for which a social purpose corporation is organized as set
24 forth in the articles of incorporation of the corporation in
25 accordance with RCW 23B.25.040(1)(c).
26 ~~((+17+))~~ (18) "Governmental subdivision" includes authority,
27 county, district, and municipality.
28 ~~((+18+))~~ (19) "Governor" has the meaning given that term in RCW
29 23.95.105.
30 (20) "Includes" denotes a partial definition.
31 ~~((+19+))~~ (21) "Individual" includes the estate of an incompetent
32 or deceased individual.
33 ~~((+20+))~~ (22) "Limited partnership" or "domestic limited
34 partnership" means a partnership formed by two or more persons under
35 the laws of this state and having one or more general partners and
36 one or more limited partners.
37 ~~((+21+))~~ (23) "Means" denotes an exhaustive definition.
38 ~~((+22+))~~ (24) "Notice" has the meaning provided in RCW
39 23B.01.410.

1 ~~((+23+))~~ (25) "Person" means an individual, corporation, business
2 trust, estate, trust, partnership, limited liability company,
3 association, joint venture, government, governmental subdivision,
4 agency, or instrumentality, or any other legal or commercial entity.

5 ~~((+24+))~~ (26) "Principal office" means the office, in or out of
6 this state, so designated in the annual report where the principal
7 executive offices of a domestic or foreign corporation are located.

8 ~~((+25+))~~ (27) "Proceeding" includes civil suit and criminal,
9 administrative, and investigatory action.

10 ~~((+26+))~~ (28) "Public company" means a corporation that has a
11 class of shares registered with the federal securities and exchange
12 commission pursuant to section 12 or 15 of the securities exchange
13 act of 1934, or section 8 of the investment company act of 1940, or
14 any successor statute.

15 ~~((+27+))~~ (29) "Qualified director" means (a) with respect to a
16 director's conflicting interest transaction as defined in RCW
17 23B.08.700, any director who does not have either (i) a conflicting
18 interest respecting the transaction, or (ii) a familial, financial,
19 professional, or employment relationship with a second director who
20 does have a conflicting interest respecting the transaction, which
21 relationship would, in the circumstances, reasonably be expected to
22 exert an influence on the first director's judgment when voting on
23 the transaction; (b) with respect to RCW 23B.08.735, a qualified
24 director under (a) of this subsection if the business opportunity
25 were a director's conflicting interest transaction; and (c) with
26 respect to RCW 23B.02.020(5)(k), a director who is not a director (i)
27 to whom the limitation or elimination of the duty of an officer to
28 offer potential business opportunities to the corporation would
29 apply, or (ii) who has a familial, financial, professional, or
30 employment relationship with another officer to whom the limitation
31 or elimination would apply, which relationship would, in the
32 circumstances, reasonably be expected to exert an influence on the
33 director's judgment when voting on the limitation or elimination.

34 ~~((+28+))~~ (30) "Record" means information inscribed on a tangible
35 medium or contained in an electronic transmission.

36 ~~((+29+))~~ (31) "Record date" means the date established under
37 chapter 23B.07 RCW on which a corporation determines the identity of
38 its shareholders and their shareholdings for purposes of this title.
39 The determinations shall be made as of the close of business on the

1 record date unless another time for doing so is specified when the
2 record date is fixed.

3 ~~((+30+))~~ (32) "Registered office" means the address of the
4 corporation's registered agent.

5 ~~((+31+))~~ (33) "Secretary" means the corporate officer to whom the
6 board of directors has delegated responsibility under RCW
7 23B.08.400(3) for custody of the minutes of the meetings of the board
8 of directors and of the shareholders and for authenticating records
9 of the corporation.

10 ~~((+32+))~~ (34) "Shareholder" means the person in whose name shares
11 are registered in the records of a corporation or the beneficial
12 owner of shares to the extent of the rights granted by a nominee
13 certificate on file with a corporation.

14 ~~((+33+))~~ (35) "Shares" means the units into which the proprietary
15 interests in a corporation are divided.

16 ~~((+34+))~~ (36) "Social purpose" includes any general social
17 purpose and any specific social purpose.

18 ~~((+35+))~~ (37) "Social purpose corporation" means a corporation
19 that has elected to be governed as a social purpose corporation under
20 chapter 23B.25 RCW.

21 ~~((+36+))~~ (38) "Specific social purpose" means the specific social
22 purpose or purposes for which a social purpose corporation is
23 organized as set forth in the articles of incorporation of the
24 corporation in accordance with RCW 23B.25.040(2)(a).

25 ~~((+37+))~~ (39) "State," when referring to a part of the United
26 States, includes a state and commonwealth, and their agencies and
27 governmental subdivisions, and a territory and insular possession,
28 and their agencies and governmental subdivisions, of the United
29 States.

30 ~~((+38+))~~ (40) "Subscriber" means a person who subscribes for
31 shares in a corporation, whether before or after incorporation.

32 ~~((+39+))~~ (41) "Subsidiary" means an entity in which the
33 corporation has a controlling interest.

34 (42) "Tangible medium" means a writing, copy of a writing, or
35 facsimile, or a physical reproduction, each on paper or on other
36 tangible material.

37 ~~((+40+))~~ (43) "United States" includes a district, authority,
38 bureau, commission, department, and any other agency of the United
39 States.

1 ((+41+)) (44) "Voting group" means all shares of one or more
2 classes or series that under the articles of incorporation or this
3 title are entitled to vote and be counted together collectively on a
4 matter at a meeting of shareholders. All shares entitled by the
5 articles of incorporation or this title to vote generally on the
6 matter are for that purpose a single voting group.

7 ((+42+)) (45) "Writing" does not include an electronic
8 transmission.

9 ((+43+)) (46) "Written" means embodied in a tangible medium.

10 **Sec. 13.** RCW 23B.07.050 and 1989 c 165 s 64 are each amended to
11 read as follows:

12 (1) A corporation shall notify shareholders of the date, time,
13 and place of each annual and special shareholders' meeting. Such
14 notice shall be given no fewer than ten nor more than sixty days
15 before the meeting date, except that notice of a shareholders'
16 meeting to act on an amendment to the articles of incorporation, a
17 plan of merger or share exchange, a proposed ~~((sale of))~~ disposition
18 of property and assets pursuant to RCW 23B.12.020, or the dissolution
19 of the corporation shall be given no fewer than twenty nor more than
20 sixty days before the meeting date. Unless this title or the articles
21 of incorporation require otherwise, the corporation is required to
22 give notice only to shareholders entitled to vote at the meeting.

23 (2) Unless this title or the articles of incorporation require
24 otherwise, notice of an annual meeting need not include a description
25 of the purpose or purposes for which the meeting is called.

26 (3) Notice of a special meeting must include a description of the
27 purpose or purposes for which the meeting is called.

28 (4) Unless the bylaws require otherwise, if an annual or special
29 shareholders' meeting is adjourned to a different date, time, or
30 place, notice need not be given of the new date, time, or place if
31 the new date, time, or place is announced at the meeting before
32 adjournment. If a new record date for the adjourned meeting is or
33 must be fixed under RCW 23B.07.070, however, notice of the adjourned
34 meeting must be given under this section to persons who are
35 shareholders as of the new record date.

36 **Sec. 14.** RCW 23B.13.020 and 2014 c 83 s 15 are each amended to
37 read as follows:

1 (1) A shareholder is entitled to dissent from, and obtain payment
2 of the fair value of the shareholder's shares in the event of, any of
3 the following corporate actions:

4 (a) A plan of merger, which has become effective, to which the
5 corporation is a party (i) if shareholder approval was required for
6 the merger by RCW 23B.11.030, 23B.11.080, or the articles of
7 incorporation, and the shareholder was entitled to vote on the
8 merger, or (ii) if the corporation was a subsidiary and the plan of
9 merger provided for the merger of the subsidiary with its parent
10 under RCW 23B.11.040;

11 (b) A plan of share exchange, which has become effective, to
12 which the corporation is a party as the corporation whose shares have
13 been acquired, if the shareholder was entitled to vote on the plan;

14 (c) A sale ~~((or))~~, lease, exchange, or other disposition, which
15 has become effective, of all, or substantially all, of the property
16 and assets of the corporation other than in the usual and regular
17 course of business, if the shareholder was entitled to vote on the
18 sale ~~((or))~~, lease, exchange, or other disposition, including a
19 ~~((sale))~~ disposition in dissolution, but not including a ~~((sale))~~
20 disposition pursuant to court order or a ~~((sale))~~ disposition for
21 cash pursuant to a plan by which all or substantially all of the net
22 proceeds of the ~~((sale))~~ disposition will be distributed to the
23 shareholders within one year after the date of ~~((sale))~~ the
24 disposition;

25 (d) An amendment of the articles of incorporation, whether or not
26 the shareholder was entitled to vote on the amendment, if the
27 amendment effects a redemption or cancellation of all of the
28 shareholder's shares in exchange for cash or other consideration
29 other than shares of the corporation;

30 (e) Any action described in RCW 23B.25.120;

31 (f) Any corporate action approved pursuant to a shareholder vote
32 to the extent the articles of incorporation, bylaws, or a resolution
33 of the board of directors provides that voting or nonvoting
34 shareholders are entitled to dissent and obtain payment for their
35 shares; or

36 (g) A plan of entity conversion in the case of a conversion of a
37 domestic corporation to a foreign corporation, which has become
38 effective, to which the domestic corporation is a party as the
39 converting entity, if: (i) The shareholder was entitled to vote on
40 the plan; and (ii) the shareholder does not receive shares in the

1 surviving entity that have terms as favorable to the shareholder in
2 all material respects and that represent at least the same percentage
3 interest of the total voting rights of the outstanding shares of the
4 surviving entity as the shares held by the shareholder before the
5 conversion.

6 (2) A shareholder entitled to dissent and obtain payment for the
7 shareholder's shares under this chapter may not challenge the
8 corporate action creating the shareholder's entitlement unless the
9 action fails to comply with the procedural requirements imposed by
10 this title, RCW 25.10.831 through 25.10.886, the articles of
11 incorporation, or the bylaws, or is fraudulent with respect to the
12 shareholder or the corporation.

13 (3) The right of a dissenting shareholder to obtain payment of
14 the fair value of the shareholder's shares shall terminate upon the
15 occurrence of any one of the following events:

16 (a) The proposed corporate action is abandoned or rescinded;

17 (b) A court having jurisdiction permanently enjoins or sets aside
18 the corporate action; or

19 (c) The shareholder's demand for payment is withdrawn with the
20 written consent of the corporation.

21 **Sec. 15.** RCW 23B.07.300 and 1989 c 165 s 77 are each amended to
22 read as follows:

23 (1) One or more shareholders may create a voting trust,
24 conferring on a trustee the right to vote or otherwise act for them,
25 by signing an agreement setting out the provisions of the trust,
26 which may include anything consistent with its purpose, and
27 transferring their shares to the trustee. When a voting trust
28 agreement is signed, the trustee shall prepare a list of the names
29 and addresses of all voting trust beneficial owners (~~(of beneficial~~
30 ~~interests in the trust)~~), together with the number and class of
31 shares each voting trust beneficial owner (~~(of a beneficial~~
32 ~~interest)~~) transferred to the trust, and deliver copies of the list
33 and agreement to the corporation's principal office.

34 (2) A voting trust becomes effective on the date the first shares
35 subject to the trust are registered in the trustee's name. (~~(A voting~~
36 ~~trust is valid for not more than ten years after its effective date~~
37 ~~unless extended under subsection (3) of this section.)~~)

38 (3) (~~(All or some of the parties to a voting trust may extend it~~
39 ~~for additional terms of not more than ten years each by signing an~~

~~extension agreement and obtaining the voting trustee's written consent to the extension. An extension is valid only until the earlier of ten years from the date the first shareholder signs the extension agreement or the date of expiration of the extension. The voting trustee must deliver copies of the extension agreement and list of beneficial owners to the corporation's principal office. An extension agreement binds only those parties signing it.))~~ Limits, if any, on the duration of a voting trust are to be as set forth in the voting trust agreement. A voting trust that became effective when this section limited the term of a voting trust to ten years will remain governed by the provisions of this section then in effect relating to the duration of voting trusts, unless the voting trust agreement is amended to provide otherwise by unanimous agreement of the parties to that agreement.

Sec. 16. RCW 23B.07.320 and 2009 c 189 s 22 are each amended to read as follows:

(1) An agreement among the shareholders of a corporation that is not contrary to public policy and that complies with this section is effective among the shareholders and the corporation even though it is inconsistent with one or more other provisions of this title in that it:

(a) Eliminates the board of directors or restricts the discretion or powers of the board of directors;

(b) Governs the approval or making of distributions whether or not in proportion to ownership of shares, subject to the limitations in RCW 23B.06.400;

(c) Establishes who shall be directors or officers of the corporation, or their terms of office or manner of selection or removal;

(d) Governs, in general or in regard to specific matters, the exercise or division of voting power by or between the shareholders and directors or by or among any of them, including use of weighted voting rights or director proxies;

(e) Establishes the terms and conditions of any agreement for the transfer or use of property or the provision of services between the corporation and any shareholder, director, officer, or employee of the corporation or among any of them;

1 (f) Transfers to one or more shareholders or other persons all or
2 part of the authority to exercise the corporate powers or to manage
3 the business and affairs of the corporation;

4 (g) Provides a process by which a deadlock among directors or
5 shareholders may be resolved;

6 (h) Requires dissolution of the corporation at the request of one
7 or more shareholders or upon the occurrence of a specified event or
8 contingency; or

9 (i) Otherwise governs the exercise of the corporate powers or the
10 management of the business and affairs of the corporation or the
11 relationship among the shareholders, the directors, and the
12 corporation, or among any of them.

13 (2) An agreement authorized by this section shall be:

14 (a) Set forth in a written agreement that is signed by all
15 persons who are shareholders at the time of the agreement and is made
16 known to the corporation; and

17 (b) Subject to amendment only by all persons who are shareholders
18 at the time of the amendment, unless the agreement provides
19 otherwise (~~and~~

20 ~~(c) Valid for ten years, unless the agreement provides~~
21 ~~otherwise)).~~

22 (3) The existence of an agreement authorized by this section
23 shall be noted conspicuously on the front or back of each certificate
24 for outstanding shares or on the information statement required by
25 RCW 23B.06.260(2). If at the time of the agreement the corporation
26 has shares outstanding represented by certificates, the corporation
27 shall recall the outstanding certificates and issue substitute
28 certificates that comply with this subsection. The failure to note
29 the existence of the agreement on the certificate or information
30 statement shall not affect the validity of the agreement or any
31 action taken pursuant to it. Unless the agreement provides otherwise,
32 any person who acquires outstanding or newly issued shares in the
33 corporation after an agreement authorized by this section has been
34 effected, whether by purchase, gift, operation of law, or otherwise,
35 is deemed to have assented to the agreement and to be a party to the
36 agreement. A purchaser of shares who is aggrieved because he or she
37 at the time of purchase did not have actual or constructive knowledge
38 of the existence of the agreement may either: (a) Bring an action to
39 rescind the purchase within the earlier of ninety days after
40 discovery of the existence of the agreement or two years after the

1 purchase of the shares; or (b) continue to hold the shares subject to
2 the agreement but with a right of action for any damages resulting
3 from nondisclosure of the existence of the agreement. A purchaser
4 shall be deemed to have constructive knowledge of the existence of
5 the agreement if its existence is noted on the certificate or
6 information statement for the shares in compliance with this
7 subsection and, if the shares are not represented by a certificate,
8 the information statement is delivered to the purchaser at or prior
9 to the time of purchase of the shares.

10 (4) An agreement authorized by this section shall cease to be
11 effective when shares of the corporation are listed on a national
12 securities exchange or regularly traded in a market maintained by one
13 or more members of a national or affiliated securities association.

14 (5) An agreement authorized by this section that limits the
15 discretion or powers of the board of directors shall relieve the
16 directors of, and impose upon the person or persons in whom such
17 discretion or powers are vested, liability for acts or omissions
18 imposed by law on directors to the extent that the discretion or
19 powers of the directors are limited by the agreement.

20 (6) The existence or performance of an agreement authorized by
21 this section shall not be a ground for imposing personal liability on
22 any shareholder for the acts or debts of the corporation even if the
23 agreement or its performance treats the corporation as if it were a
24 partnership or results in failure to observe the corporate
25 formalities otherwise applicable to the matters governed by the
26 agreement.

27 (7) Incorporators or subscribers for shares may act as
28 shareholders with respect to an agreement authorized by this section
29 if no shares have been issued when the agreement is made.

30 (8) Limits, if any, on the duration of an agreement governed by
31 this section are to be as set forth in the agreement. An agreement
32 governed by this section that became effective when this section
33 limited the term of such an agreement to ten years unless the
34 agreement provided otherwise will remain governed by the provisions
35 of this section then in effect relating to the duration of agreements
36 among shareholders.

37 **Sec. 17.** RCW 23B.11.040 and 2009 c 189 s 39 are each amended to
38 read as follows:

1 (1) A parent corporation owning at least ninety percent of the
2 outstanding shares of each class of a subsidiary corporation may (a)
3 merge the subsidiary into itself without approval of the shareholders
4 of the parent or subsidiary, or (b) merge itself into the subsidiary
5 without approval of the shareholders of the subsidiary. A merger of a
6 parent corporation into its subsidiary otherwise will be governed by
7 the provisions of chapter 23B.11 RCW applicable to mergers generally.

8 (2) The board of directors of the parent shall approve a plan of
9 merger that sets forth:

10 (a) The names of the parent and subsidiary; and

11 (b) The manner and basis of converting the shares of the
12 subsidiary or parent corporation, as applicable, into shares,
13 obligations, or other securities of the ~~((parent))~~ surviving
14 corporation or any other corporation or into cash or other property
15 in whole or part.

16 (3) Within ten days after the corporate action becomes effective,
17 the ~~((parent))~~ surviving corporation shall deliver a notice to each
18 other shareholder of the subsidiary, which notice ~~((shall))~~ must
19 include a copy of the plan of merger.

20 (4) Articles of merger under this section may not contain
21 amendments to the articles of incorporation of the parent
22 corporation, except for amendments enumerated in RCW 23B.10.020.

23 **Sec. 18.** RCW 23B.19.020 and 2016 c 216 s 1 are each amended to
24 read as follows:

25 The definitions in this section apply throughout this chapter
26 unless the context clearly requires otherwise.

27 (1) "Acquiring person" means a person or group of persons, other
28 than the target corporation or a subsidiary of the target
29 corporation, who is the beneficial owner of voting shares entitled to
30 cast votes comprising ten percent or more of the voting power of the
31 target corporation; provided, however, that the term "acquiring
32 person" does not include any person who (a) beneficially owned voting
33 shares entitled to cast votes comprising ten percent or more of the
34 voting power of the target corporation on March 23, 1988; (b)
35 acquired its voting shares of the target corporation solely by gift,
36 inheritance, or in a transaction in which no consideration is
37 exchanged; (c) equals or exceeds the ten percent threshold as a
38 result of action taken solely by the target corporation, such as
39 redemption of shares, unless that person, by its own action, acquires

1 additional voting shares of the target corporation; (d) beneficially
2 owned voting shares entitled to cast votes comprising ten percent or
3 more of the voting power of the target corporation prior to the time
4 the target corporation had a class of voting shares registered with
5 the securities and exchange commission pursuant to section 12 or 15
6 of the exchange act; or (e) beneficially (~~((was the owner of))~~) owned
7 voting shares entitled to cast votes comprising ten percent or more
8 of the (~~((outstanding))~~) voting (~~((shares))~~) power of the target
9 corporation prior to the time the target corporation amended its
10 articles of incorporation to provide that the corporation shall be
11 subject to the provisions of this chapter. An agent, bank, broker,
12 nominee, or trustee for another person, if the other person is not an
13 acquiring person, who acts in good faith and not for the purpose of
14 circumventing this chapter, is not an acquiring person. For the
15 purpose of determining whether a person is an acquiring person, the
16 number of voting shares of the target corporation that are
17 outstanding shall include voting shares beneficially owned by the
18 person through application of subsection (4) of this section, but
19 shall not include any other unissued voting shares of the target
20 corporation which may be issuable pursuant to any agreement,
21 arrangement, or understanding; or upon exercise of conversion rights,
22 warrants, or options; or otherwise.

23 (2) "Affiliate" means a person who directly or indirectly
24 controls, or is controlled by, or is under common control with, a
25 person.

26 (3) "Announcement date," when used in reference to any
27 significant business transaction, means the date of the first public
28 announcement of the final, definitive proposal for such a significant
29 business transaction.

30 (4) "Associate" means (a) a domestic or foreign corporation or
31 organization of which a person is an officer, director, member, or
32 partner or in which a person performs a similar function; (b) a
33 direct or indirect beneficial owner of ten percent or more of any
34 class of equity securities of a person; (c) a trust or estate in
35 which a person has a beneficial interest or as to which a person
36 serves as trustee or in a similar fiduciary capacity; and (d) the
37 spouse or a parent or sibling of a person or a child, grandchild,
38 sibling, parent, or spouse of any thereof, of a person or an
39 individual having the same home as a person.

1 (5)(a)(i) "Beneficial owner" when used with respect to any shares
2 means a person who individually or with or through any of its
3 affiliates or associates:

4 (A) Has or shares:

5 (I) The power to vote, or to direct the voting of, the shares,
6 directly or indirectly;

7 (II) The power to dispose, or to direct the disposition of, the
8 shares, directly or indirectly;

9 (III) The right to acquire the shares, whether the right is
10 exercisable immediately or only after the passage of time, pursuant
11 to any agreement, arrangement, or understanding, whether or not in
12 writing, or upon the exercise of conversion rights, exchange rights,
13 warrants or options, or otherwise; or

14 (IV) The right to vote the shares pursuant to any agreement,
15 arrangement, or understanding, whether or not in writing; or

16 (B) Has any agreement, arrangement, or understanding, whether or
17 not in writing, for the purpose of acquiring, holding, voting, or
18 disposing of the shares with any other person who beneficially owns,
19 or whose affiliates or associates beneficially own, directly or
20 indirectly, the shares.

21 (ii)(A) A person is not the beneficial owner of shares under
22 (a)(i)(A)(III) of this subsection with respect to shares tendered
23 pursuant to a tender or exchange offer made by the person or any of
24 the person's affiliates or associates until the tendered shares are
25 accepted for purchase or exchange.

26 (B) A person is not the beneficial owner of any shares under
27 (a)(i)(A)(IV) of this subsection if the agreement, arrangement, or
28 understanding to vote the shares arises solely from a revocable proxy
29 or consent given in response to a proxy or consent solicitation made
30 in accordance with the applicable rules and regulations under the
31 exchange act and is not then reportable on schedule 13D under the
32 exchange act, or any comparable or successor report.

33 (C) A person is not the beneficial owner of any shares under
34 (a)(i)(B) of this subsection if the agreement, arrangement, or
35 understanding for the purpose of voting the shares arises solely from
36 a revocable proxy or consent given in response to a proxy or consent
37 solicitation made in accordance with the applicable rules and
38 regulations under the exchange act and is not then reportable on
39 schedule 13D under the exchange act, or any comparable or successor
40 report.

1 (b) The terms "beneficial ownership," "beneficially own," and
2 "beneficially owned" have meanings correlative to the meaning of
3 "beneficial owner."

4 (6) "Common shares" means any shares other than preferred shares.

5 (7) "Consummation date," with respect to any significant business
6 transaction, means the date of consummation of such a significant
7 business transaction, or, in the case of a significant business
8 transaction as to which a shareholder vote is taken, the later of the
9 business day prior to the vote or twenty days prior to the date of
10 consummation of such a significant business transaction.

11 (8) "Control," "controlling," "controlled by," and "under common
12 control with((~~r~~))" means the possession, directly or indirectly, of
13 the power to direct or cause the direction of the management and
14 policies of a person, whether through the ownership of voting shares,
15 by contract, or otherwise. A person's beneficial ownership of voting
16 shares entitled to cast votes comprising ten percent or more of the
17 voting power of a domestic or foreign corporation shall create a
18 rebuttable presumption that such person has control of such
19 corporation. However, a person does not have control of a domestic or
20 foreign corporation if the person holds voting shares, in good faith
21 and not for the purpose of circumventing this chapter, as an agent,
22 bank, broker, nominee, custodian, or trustee for one or more
23 beneficial owners who do not individually or as a group have control
24 of such corporation.

25 (9) "Domestic corporation" means an issuer of voting shares which
26 is organized under chapter 23B.02 RCW or any predecessor provision.

27 (10) "Exchange act" means the federal securities exchange act of
28 1934, as amended.

29 (11) "Market value," in the case of property other than cash or
30 shares, means the fair market value of the property on the date in
31 question as determined by the board of directors of the target
32 corporation in good faith.

33 (12) "Person" means an individual, domestic or foreign
34 corporation, partnership, trust, unincorporated association, or other
35 entity; an affiliate or associate of any such person; or any two or
36 more persons acting as a partnership, syndicate, or other group for
37 the purpose of acquiring, holding, or dispersing of securities of a
38 domestic or foreign corporation.

39 (13) "Preferred shares" means any class or series of shares of a
40 target corporation which under the bylaws or articles of

1 incorporation of such a corporation is entitled to receive payment of
2 dividends prior to any payment of dividends on some other class or
3 series of shares, or is entitled in the event of any voluntary
4 liquidation, dissolution, or winding up of the target corporation to
5 receive payment or distribution of a preferential amount before any
6 payments or distributions are received by some other class or series
7 of shares.

8 (14) "Share acquisition time" means the time at which a person
9 first becomes an acquiring person of a target corporation.

10 (15) "Shares" means any:

11 (a) Shares or similar security, any certificate of interest, any
12 participation in any profit sharing agreement, any voting trust
13 certificate, or any certificate of deposit for shares; and

14 (b) Security convertible, with or without consideration, into
15 shares, or any warrant, call, or other option or privilege of buying
16 shares without being bound to do so, or any other security carrying
17 any right to acquire, subscribe to, or purchase shares.

18 (16) "Significant business transaction" means:

19 (a) A merger, share exchange, or consolidation of a target
20 corporation or a subsidiary of a target corporation with (i) an
21 acquiring person, or (ii) any other domestic or foreign corporation
22 which is, or after the merger, share exchange, or consolidation would
23 be, an affiliate or associate of the acquiring person;

24 (b) A sale, lease, exchange, mortgage, pledge, transfer, or other
25 disposition or encumbrance, whether in one transaction or a series of
26 transactions, to or with an acquiring person or an affiliate or
27 associate of an acquiring person of assets of a target corporation or
28 a subsidiary of a target corporation (i) having an aggregate market
29 value equal to five percent or more of the aggregate market value of
30 all the assets, determined on a consolidated basis, of the target
31 corporation, (ii) having an aggregate market value equal to five
32 percent or more of the aggregate market value of all the outstanding
33 shares of the target corporation, or (iii) representing five percent
34 or more of the earning power or net income, determined on a
35 consolidated basis, of the target corporation;

36 (c) The termination, while the corporation has an acquiring
37 person and as a result of the acquiring person's acquisition of ten
38 percent or more of the shares of the corporation, of five percent or
39 more of the employees of the target corporation or its subsidiaries
40 employed in this state, whether at one time or over the five-year

1 period following the share acquisition time. For the purposes of (c)
2 of this subsection, a termination other than an employee's death or
3 disability or bona fide voluntary retirement, transfer, resignation,
4 termination for cause under applicable common law principles, or
5 leave of absence shall be presumed to be a termination resulting from
6 the acquiring person's acquisition of shares, which presumption is
7 rebuttable. A bona fide voluntary transfer of employees between the
8 target corporation and its subsidiaries or between its subsidiaries
9 is not a termination for the purposes of (c) of this subsection;

10 (d) The issuance, transfer, or redemption by a target corporation
11 or a subsidiary of a target corporation, whether in one transaction
12 or a series of transactions, of shares or of options, warrants, or
13 rights to acquire shares of a target corporation or a subsidiary of a
14 target corporation to or beneficially owned by an acquiring person or
15 an affiliate or associate of an acquiring person except pursuant to
16 the exercise of warrants or rights to purchase shares offered, or a
17 dividend, distribution, or redemption paid or made pro rata to, all
18 shareholders or holders of options, warrants, or rights to acquire
19 shares of the target corporation, and except for involuntary
20 redemptions permitted by the target corporation's charter or by the
21 law of this state or the state of incorporation;

22 (e) The liquidation or dissolution of a target corporation
23 proposed by, or pursuant to an agreement, arrangement, or
24 understanding, whether or not in writing, with an acquiring person or
25 an affiliate or associate of an acquiring person;

26 (f) A reclassification of securities, including, without
27 limitation, any shares split, shares dividend, or other distribution
28 of shares in respect of stock, or any reverse shares split, or
29 recapitalization of a target corporation, or a merger or
30 consolidation of a target corporation with a subsidiary of the target
31 corporation, or any other transaction, whether or not with or into or
32 otherwise involving an acquiring person, proposed by, or pursuant to
33 an agreement, arrangement, or understanding, whether or not in
34 writing, with an acquiring person or an affiliate or associate of an
35 acquiring person, that has the effect, directly or indirectly, of
36 increasing the proportionate share of the outstanding shares of a
37 class or series of voting shares or securities convertible into
38 voting shares of a target corporation or a subsidiary of the target
39 corporation that is directly or indirectly owned by an acquiring
40 person or an affiliate or associate of an acquiring person, except as

1 a result of immaterial changes due to fractional share adjustments;
2 or

3 (g) A receipt by an acquiring person or an affiliate or associate
4 of an acquiring person of the benefit, directly or indirectly, except
5 proportionately as a shareholder of a target corporation, of loans,
6 advances, guarantees, pledges, or other financial assistance or tax
7 credits or other tax advantages provided by or through a target
8 corporation.

9 (17) "Subsidiary" means a domestic or foreign corporation that
10 has a majority of its outstanding voting shares owned, directly or
11 indirectly, by another domestic or foreign corporation.

12 (18) "Tangible assets" means tangible real and personal property
13 of all kinds. It shall also include leasehold interests in tangible
14 real and personal property.

15 (19) "Target corporation" means:

16 (a) Every domestic corporation, if:

17 (i) The corporation has a class of voting shares registered with
18 the securities and exchange commission pursuant to section 12 or 15
19 of the exchange act; or

20 (ii) The corporation's articles of incorporation have been
21 amended to provide that such a corporation shall be subject to the
22 provisions of this chapter, if the corporation did not have a class
23 of voting shares registered with the securities and exchange
24 commission pursuant to section 12 or 15 of the exchange act on the
25 effective date of that amendment; and

26 (b) Every foreign corporation required to register to transact
27 business in this state pursuant to chapter 23B.15 RCW and Article 5
28 of chapter 23.95 RCW, if:

29 (i) The corporation has a class of voting shares registered with
30 the securities and exchange commission pursuant to section 12 or 15
31 of the exchange act;

32 (ii) The corporation's principal executive office is located in
33 the state;

34 (iii) The corporation has: (A) More than ten percent of its
35 shareholders of record resident in the state; or (B) more than ten
36 percent of its shares owned of record by state residents; or (C) one
37 thousand or more shareholders of record resident in the state;

38 (iv) A majority of the corporation's employees, together with
39 those of its subsidiaries, are residents of the state or the

1 corporation, together with its subsidiaries, employs more than one
2 thousand residents of the state; and

3 (v) A majority of the corporation's tangible assets, together
4 with those of its subsidiaries, measured by market value, are located
5 in the state or the corporation, together with its subsidiaries, has
6 more than fifty million dollars' worth of tangible assets located in
7 the state.

8 For purposes of this subsection, the record date for determining
9 the percentages and numbers of shareholders and shares shall be the
10 last shareholder record date before the event requiring that the
11 determination be made. A shareholder record date shall be determined
12 pursuant to the comparable provision to RCW 23B.07.070 of the law of
13 the state in which a foreign corporation is incorporated. If a
14 shareholder record date has not been fixed by the board of directors
15 within the preceding four months, the determination shall be made as
16 of the end of the corporation's most recent fiscal quarter.

17 The residence of each shareholder is presumed to be the address
18 appearing in the records of the corporation. Shares held of record by
19 brokers or nominees shall be disregarded for purposes of calculating
20 the percentages and numbers specified in this subsection. Shares of a
21 corporation allocated to the account of an employee or former
22 employee or beneficiaries of employees or former employees of a
23 corporation and held in a plan that is qualified under section 401(a)
24 of the federal internal revenue code of 1986, as amended, and is a
25 defined contribution plan within the meaning of section 414(i) of the
26 code shall be deemed, for the purposes of this subsection, to be held
27 of record by the employee to whose account such shares are allocated.

28 A domestic or foreign corporation shall be deemed to be a target
29 corporation if the domestic or foreign corporation's failure to
30 satisfy the requirements of this subsection is caused by the action
31 of, or is the result of a proposal by, an acquiring person or
32 affiliate or associate of an acquiring person.

33 (20) "Voting power" means the total number of votes entitled to
34 be cast by all of the outstanding voting shares of a corporation.

35 (21) "Voting shares" means shares of all classes of a corporation
36 entitled to vote generally in the election of directors.

1 NEW SECTION. **Sec. 19.** Sections 1 through 8 of this act
2 constitute a new chapter in Title 23B RCW.

--- END ---



WSBA

OFFICE OF LEGISLATIVE AFFAIRS

MEMORANDUM

TO: WSBA Board of Governors

FROM: Mario Cava, BOG Legislative Committee Chair, and Alison Phelan, WSBA Legislative Affairs Manager

DATE: November 18, 2016

RE: 2017 WSBA Legislative Priorities (**ACTION ITEM**)

ACTION ITEM: Approve the 2017 WSBA Legislative Priorities for the upcoming legislative session.

OVERVIEW:

The WSBA Legislative Affairs Office is pleased to propose the 2017 WSBA Legislative Priorities for consideration and approval by the Board of Governors (BOG).

BACKGROUND:

The WSBA and its entities are allowed to engage in the legislative process if issues are related to the practice of law and/or the administration of justice (GR 12).

The 2017 WSBA Legislative Priorities seek to make improvements to the practice of law and administration of justice that ultimately benefit both members of the public as well as legal professionals across the state. The genesis of these priorities is tied directly to the WSBA Guiding Principles. These include supporting access to justice, increasing public understanding of Washington's justice system, and supporting a fair and impartial judiciary.

While the majority of these legislative priorities remain unchanged from years past, the new addition for 2017 includes Bar support for funding civil legal aid services through the state's general fund.

RECOMMENDED ACTION:

Approve the 2017 WSBA Legislative Priorities as recommended by the BOG Legislative Committee Chair and WSBA Legislative Affairs Manager.

2017 WSBA Legislative Priorities (emphasis added to show new language added for FY17)

- Support Bar-request legislative proposals initiated by WSBA Sections that are approved by the Board.
- Support non-Bar request legislative proposals approved by the Board under GR 12, that seek to:
 - Create and promote access to justice for all Washington residents;
 - Enhance statewide civics education;
 - Provide funding for the state's court system; and
 - Provide funding for civil legal aid services through general-fund state dollars.
- Monitor and take appropriate action on legislative proposals that would:
 - Increase existing court user fees;
 - Alter court rules and/or the structure of the state's judiciary branch; and
 - Other items of significance to the practice of law and administration of justice.



WSBA

OFFICE OF LEGISLATIVE AFFAIRS

MEMORANDUM

TO: WSBA Board of Governors

FROM: Mario Cava, BOG Legislative Committee Chair, and Alison Phelan, WSBA Legislative Affairs Manager

DATE: November 18, 2016

RE: WSBA Resolution re: 2017-19 Civil Justice Reinvestment Plan (**ACTION ITEM**)

ACTION: Approve the resolution drafted by the Board of Governors Legislative Committee regarding 2017-19 civil legal aid funding in Washington state.

OVERVIEW:

The Washington State Civil Legal Aid Oversight Committee (Oversight Committee) recently approved a resolution endorsing the funding of civil legal aid through a dedicated surcharge or tax on outside legal services purchased by a consumer.

The detail below provides background regarding the issue of state civil legal aid services as well as a resolution drafted by the Board of Governors (BOG) Legislative Committee to inform interested parties of the position of the WSBA Board of Governors on the issue.

BACKGROUND:

Office of Civil Legal Aid

The Office of Civil Legal Aid (OCLA), an independent judicial branch agency, is responsible for the administration and oversight of state-funded civil legal aid services to low-income residents in Washington. Through contracts with the Northwest Justice Project (NJP), eligible low-income clients receive legal services related to family law, housing, consumer fraud, wills and estates, guardianships, and other matters. The NJP operates a statewide toll-free advice and referral system, provides direct legal services in 17 locations across the state, and supports staff attorneys and participating volunteer attorneys through training and other means.

The OCLA has created a Civil Justice Reinvestment Plan (Reinvestment Plan) to address key findings in the 2015 Civil Legal Needs Study (Study). The Study, commissioned by the state Supreme Court as an update to the 2003 Civil Legal Needs Study, found that significant barriers to legal assistance continue to exist for low-income Washington residents based on race, immigration status, youth, disability, and other factors.

The OCLA approximates that fully funding the Reinvestment Plan will require \$25 million; an increase in current state-funded appropriation levels of \$24 million. Phase 1 of the Reinvestment Plan submitted to the Governor and Legislature as the 2017-19 OCLA biennial budget request includes:

- Expanding the ability of low-income people to self-diagnose their legal problems, self-refer for legal help, and gain access to essential self-help tools and resources;
- Expanding volunteer delivery of civil legal aid by 25 percent over four years;
- Achieving “minimum access” client service capacity of one full-time equivalent (FTE) legal aid attorney to every 5,000 people at or below 125 percent of the federal poverty level (current levels are 1 FTE equivalent legal aid attorney to every 9,200 people); and
- Ensuring effective support for high quality legal assistance and contemporaneous assessment of the impact of increased investment in state-funded civil legal aid services, including outcomes achieved for low-income people, net return on investment, and public costs avoided.

The OCLA estimates that by fully funding Phase 1 of the Reinvestment Plan, legal aid services will be provided to an additional 7,300 Washington households per year and 16,000 additional low-income Washington residents per year.

Civil Legal Aid Oversight Committee

The Oversight Committee is a bipartisan 11-member committee established by the Washington State Legislature (RCW 2.53.010) to oversee the OCLA and to make recommendations to the Washington Supreme Court and Legislature regarding state-funded civil legal aid services.

With 2017-19 biennial state budget constraints and financial obligations related to recent court decisions, the Oversight Committee discussed alternative revenue sources to fund civil legal aid this past year. On September 30, 2016, the Oversight Committee approved a resolution to endorse the Civil Justice Reinvestment Plan and recommend that the Washington State Legislature provide adequate funding through a dedicated surcharge or tax on outside legal services purchased by a consumer.

Board of Governors Legislative Committee action

During the June 2016 BOG meeting, OCLA Executive Director Jim Bamberger and Equal Justice Coalition (EJC) Communications and Advocacy Director Jay Doran, presented information related to the Reinvestment Plan.

During the September 2016 BOG meeting, the Board tasked the BOG Legislative Committee with discussing the issue further. The BOG Legislative Committee convened on October 21 and 31, 2016, to discuss a draft resolution clearly outlining the position of the WSBA Board of Governors pertaining to state-funded civil legal aid services.

Committee members voted unanimously to approve the resolution as drafted and recommend that the Board of Governors approve it during the November 2016 meeting.

RECOMMENDED ACTION:

The BOG Legislative Committee recommends that the Board of Governors approve the resolution as drafted regarding the 2017-19 Civil Justice Reinvestment Plan.

WSBA Resolution re: 2017-19 Civil Justice Reinvestment Plan

Whereas, access to the civil justice system and the ability to secure fair outcomes for all Washingtonians regardless of income, race, gender, language, age and other characteristics are core commitments of the state's legal system; and

Whereas, the 2015 Washington State Civil Legal Needs Study, commissioned by the Washington Supreme Court, shows significant disparities in the experiences of low-income Washington residents dealing with legal issues. In particular, more than 75 percent of low-income Washingtonians do not receive any legal assistance; and more than 60 percent of Study respondents who are low-income, expressed limited trust and/or confidence with the state civil justice system; and

Whereas, the Washington State Bar Association (WSBA) is part of the judicial branch, exercising a governmental function authorized by the Washington Supreme Court to license the state's approximately 39,000 legal professionals; that WSBA's mission is to serve the public and members of the Bar, ensure the integrity of the legal profession, and to champion justice; and that WSBA is committed to equal justice under the law.

NOW THEREFORE BE IT RESOLVED that the Washington State Bar Association Board of Governors:

1. Accepts the findings of the 2015 Civil Legal Needs Study and recognizes the civil legal problems experienced by low-income Washington residents are disproportionate; acknowledges that there is a systemic lack of access to necessary legal assistance to help Washington residents solve important civil legal problems and that these problems must be addressed; is committed to continued discussions and cooperative partnerships with any and all stakeholders to identify appropriate solutions; and
2. Supports the following policy elements contained in the 2017-19 Civil Justice Reinvestment Plan developed by the Washington State Office of Civil Legal Aid:
 - Expand the ability of low-income Washingtonians to self-diagnose their legal problems including self-referrals by accessing appropriate legal tools and resources;
 - Expand volunteer delivery of civil legal aid services across the state;
 - Achieve minimum access client service capacity of one full-time equivalent legal aid attorney to every 5,000 people at or below 125 percent of the federal poverty level;
 - Ensure effective support for high-quality legal assistance and assessment of the impact of increased state investment in state-funded civil legal aid services; and
3. Recognizes the state's significant budgetary constraints, but does not support funding these critical civil legal aid services through a dedicated surcharge or tax on

outside legal services; nor does it support funding these services through a tax, surcharge and/or fee on legal professionals, clients or residents of Washington; and

4. Respectfully requests that the Washington State Legislature appropriate necessary general-fund state dollars to meet emergent legal needs as civil legal aid remains a core governmental function of the Washington state civil justice system.

Dated this ____ day of _____.

Executive Director



TO: Board of Governors

FROM: Terra Nevitt, Director of Advancement and Chief Development Officer
Paris Eriksen, Sections Program Manager

DATE: November 8, 2016

RE: Feedback regarding Article XI.SECTIONS of the WSBA Bylaws

Prior to the September Board meeting, the Sections Policy Workgroup drafted amendments to Article XI of the WSBA Bylaws relating to sections. The proposed amendments were aimed at establishing some consistent practices amongst all 28 sections while still allowing flexibility for sections to determine the administration that best meets their individual needs.

At its September meeting, the Board voted to delay action on Article XI to allow for additional feedback. As of November 2, the WSBA received both individual and section feedback (Corporate Counsel, Criminal Law, Family Law, Indian law, International Practice, Intellectual Property, Real Property, Probate and Trust, Solo and Small Practice, and Jean Cotton). Please note that all feedback received is contained in the supplemental materials.

The comments expressed in the above feedback centered on the following topics (not a comprehensive list here, again, please reference the supplemental materials for the full feedback):

1. Interplay of Article IX which defines 'bar entities' and Article XI. Sections

Concern was expressed by some regarding the functional description of bar entities in Article IX and its inclusion and retention of 'sections' as a bar entity. The comments highlighted possible confusion that may be caused because sections do function differently than other entities of the Bar (for example, section executive committee members are elected by their respective section members and not appointed by the BOG). The Bylaws Workgroup discussed this topic and agreed to retain the term 'sections' in Article IX which was approved by the BOG in September 2016.

2. Eligibility to be voting members and/or officers in section leadership (XI.C.1 and XI.F.1 -2)

The comments recommended that sections be permitted to determine, within their own individual bylaws, who can be a voting member of the section and who can serve as an officer on a section executive committee. Other comments suggested that only Active lawyer-members be able to serve as officers of a section executive committee.

3. At-Large Members and stated term of three-years (XI.C.3)

Comments centered around two suggested alternatives to the proposed amendments: 1) at-large member can serve 2 or 3 year terms as defined in their own individual section bylaws or 2) at-large members can serve up to 3 year terms as defined in their own individual bylaws. Overall, comments

described a possible negative impact on volunteer recruitment and/or impact on section executive committee composition essential to the unique nature of the particular section.

4. Overall stated nomination (XI.G.1) and elections process (XI.G.2-3), including but not limited to:
 - a. Requiring a nominating committee (XI.G.1.a): specifically, the provision that one member of the nominating committee should not be a member of the current section executive committee. Comments suggested that the section executive committee is in the best position to make such a determination.
 - b. Language regarding 'diverse perspectives' (XI.G.1.b): comments expressed concern on the overall necessity of the language and/or its 'wordiness' on the topic.
 - c. Requiring an 'alternate nomination process' (XI.G.1.c): comments suggested this language required further clarity as to whether sections should be *permitted* or *required* to have an alternative nomination process. Other comments suggested this process unnecessary altogether.
 - d. Requiring an electronic process to solicit nominations and conduct elections (XI.G.1.b and XI.G.2.b): comments suggested this requirement was unnecessary, and potentially detrimental to volunteer recruitment.
 - e. Requiring elections to occur between March and May each year (XI.G.3): comments that this timeframe is unnecessary and concern that perhaps by consolidating all elections into one timeframe, staff is more burdened than the current practice.

One amendment has been made to Article XI since the BOG saw it in September: the use of the term *Ex Officio* in Article XI.F.4 is replaced with the proper term 'non-voting.' Otherwise the draft of Article XI here is unchanged from what the BOG reviewed in September.

REDLINE – ALL CHANGES (11/9/2016)

XI. SECTIONS

A. DESIGNATION AND CONTINUATION.

Sections ~~are entities of the Bar created and tasked to~~ shall carry on the work of the Bar and further their purposes as defined in individual section bylaws, ~~each within the jurisdiction defined in its bylaws.~~ A list of all current sections ~~shall~~ will be maintained by the Executive Director. Once established, a section ~~shall~~ will continue until discontinued as provided in these Bylaws or in the section bylaws.

B. ESTABLISHING SECTIONS.

1. The ~~Board of Governors~~ BOG ~~shall~~ will consider the establishment of a new section on a petition and report endorsed by at least 150 ~~100~~ Active members of the Bar. Any such petition ~~shall~~ must be filed with the Executive Director at least one BOG meeting prior to the meeting at which action ~~upon~~ on the proposal is contemplated and ~~shall~~ must substantially set forth:
 - a. The contemplated ~~jurisdiction~~ purpose of the section, which ~~shall~~ will be within the purposes of the Bar and not in substantial conflict with the ~~jurisdiction~~ purpose of any existing section or committee, the continuance of which is contemplated after the section is established;
 - b. Proposed bylaws of the section, which ~~shall~~ must contain a definition of its ~~jurisdiction~~ purpose;
 - c. The names of ~~the~~ any proposed committees of the section;
 - d. A proposed budget for the section for the first two years of its operation;
 - e. A list of members of the Bar who have signed statements that they intend to apply for membership in the section;
 - f. A statement of the need for the proposed section.
2. The ~~Board of Governors~~ BOG may create a new section by combining sections as set forth ~~below~~ in these Bylaws.

C. MEMBERSHIP.

1. Any Active member of the Bar may be a voting member of a section and eligible for election to office in the section upon paying the annual dues established by the section. Inactive members may not be voting members of sections.
2. If provided for in the section bylaws, any ~~lawyer admitted to the Bar as an Emeritus /Pro Bono member pursuant to APR 8(e), Judicial member, House Counsel under APR 8(f), professor at a Washington law school (whether licensed in Washington or not), or any lawyer who is a full time lawyer in a branch of the military who is stationed in Washington but not licensed in Washington, specially licensed to practice law pursuant to APR 8(d) (educational purposes), APR 8(f) (House Counsel), or APR 8(g) (Military Lawyer),~~ may be a voting member of the section and eligible for election to office in the

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section.

3. Law students ~~shall~~ will be allowed to be nonvoting members of any ~~Section~~ at a standard annual dues amount set by the Board of Governors BOG.
4. Sections may adopt bylaw provisions authorizing inactive members, and others not eligible for section membership as voting members, to be nonvoting members or “subscribers” of the section.

D. DUES

Dues will be paid annually in the amount determined by the section executive committee and approved by the BOG. Any person who fails to pay the annual dues will cease to be a member of the section.

E. BYLAWS AND POLICIES.

1. Sections are subject to all Bar Bylaws, policies, and procedures. Each section ~~shall~~ must have bylaws consistent with these Bar Bylaws. Amendments to section bylaws may be made by a majority vote of the voting executive committee members or by a majority vote of section members present at a section meeting. Section bylaws or amendments thereof ~~shall~~ will become effective when approved by the Board of Governors BOG.

F. SECTION EXECUTIVE COMMITTEE.

1. Each section will have a section executive committee consisting of, at a minimum, the following Officer positions: Chair, Secretary and Treasurer (or Secretary/Treasurer); and may have At-Large members. Unless otherwise permitted by a section’s bylaws, voting members of a section executive committee must be Active members of the Bar and members of the section for their entire term of office on the executive committee. Additionally, a section executive committee may have ~~ex-officio~~ (non-voting) members. The section executive committee is empowered to act on behalf of the section unless it chooses to take a vote of the section membership.
2. Officers. Unless otherwise permitted by a section’s bylaws, officers of a section executive committee must be Active members of the Bar and elected by the section membership to complete the one-year term of office.
 - a. Chair. The Chair of the section presides at all meetings of the section and section executive committee, and will have such other executive powers and perform such other duties as are consistent with the Bar and section bylaws.
 - b. Secretary. The Secretary will take minutes at each meeting of the section and section executive committee, and provide approved minutes to the Bar for publication and record retention.
 - c. Treasurer. The Treasurer will work with the Bar to ensure that the section complies with Bar fiscal policies and procedures, work with the Bar to prepare the section’s annual budget, and review the section’s monthly financial statements for accuracy and comparison to budget.

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d. A section may have additional officer positions as defined in its section bylaws.

3. At-Large Members. At-large members of the section executive committee will be voting members. At-large members will be elected by the section membership to three-year terms. A section executive committee may appoint its Young Lawyer Liaison (if any) as a voting member of the section's executive committee.
4. ~~Ex-Officio~~ Non-voting Members. Voting members of the section executive committee may appoint ~~ex-officio~~ non-voting members from among the current members of the section to further the work of the Bar and section. ~~Ex-officio~~ Non-voting members ~~do not vote on section executive committee matters and~~ serve at the discretion of the section executive committee.
5. Executive committee members are not subject to a limit on the number of the consecutive terms they may serve unless stated in a section's bylaws.
6. All section executive committee positions will begin October 1 each year.

G. NOMINATIONS AND ELECTIONS.

1. Nominations.
 - a. Nominating Committee. Each section will have a nominating committee consisting of no less than three section members appointed annually by the Chair or executive committee. At least one member of the nominating committee should not be a current member of the section executive committee.
 - b. The executive committee should reflect diverse perspectives. To assist this, all applicants will apply through an electronic application process administered by the Bar. The application form will, on a voluntary basis, solicit information including, but not limited to, the person's ethnicity, gender, sexual orientation, disability status, area of practice, years of practice, employer, number of lawyers in law firm, previous involvement in section activities, and skills or knowledge relevant to the position. The nominating committee should actively take factors of diversity into account when making recommendations.
 - c. Alternate Nomination Process. The executive committee will also have an alternative process to allow for nominations to occur outside of the nominating committee process.
 - d. Executive Committee Approval. The executive committee will approve a list of nominees for each open position. Persons nominated through an alternative nomination process will be included on the final list of approved nominees.
2. Elections
 - a. Only voting members of the section may participate in section elections.
 - b. The Bar will administer the elections by electronic means and certify results, unless the section develops its own equivalent electronic election process. For

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sections that administer elections through an alternate equivalent electronic election process, the section must provide the Bar with the total number of votes cast and the number of votes received for each candidate immediately following the close of the election.

- c. In the event of a tie, the section executive committee will implement a random tie-breaker of its choice, such as a coin toss or a drawing of lots, to determine the winner.
 - d. All election processes must comply with the Bar record retention policies.
3. Timing. Nominations and elections for open section executive committee persons will be held between March and May each year.

H. VACANCIES AND REMOVAL.

- 1. The section executive committee will appoint, by a majority vote, members to fill vacancies on the section executive committee. When a member is appointed to fill a vacancy in an unexpired term, the member will do so until the next annual election when an individual will be elected to serve the remainder of the vacated term.
- 2. Any member of the executive committee may be removed by a two-thirds majority vote of the section executive committee. Grounds for removal include, but are not limited to, regular absence from section executive committee meetings and events, failure to perform duties, unprofessional or discourteous conduct or whenever, in the executive committee's judgment, the executive committee member is not acting in the best interest of the section membership.

I. OTHER COMMITTEES.

The section executive committee may create other committees, as necessary to further the purposes of the section. Section committees, section committee chairs, and section committee members serve at the discretion of the section executive committee.

J. BUDGET.

Each section executive committee shall must submit an annual budget request for each fiscal year to the Board of Governors BOG for review. The BOG will approve final section budgets as part of the Bar's annual budget. The section executive committee, and shall confine its expenditures must to the budget and appropriation be consistent with as the approved section budget and consistent with the Bar fiscal policies and procedures. by the Board of Governors.

K. SECTION REPORTS

Each section shall must submit an annual report to the Executive Director and such other reports as requested by the Board of Governors BOG.

REDLINE – ALL CHANGES (11/9/2016)

L. TERMINATING SECTIONS.

1. The ~~Board of Governors~~BOG may consider terminating a section ~~when it appears the section is no longer carrying on the work of the Bar as defined in the Functions section of these Bylaws.~~ The issue ~~shall~~will be raised (a) on motion, (b) on petition, or (c) at a “viability review” as defined in these ~~Bylaws~~Bylaws.
2. A section ~~which~~that has less than ~~50~~75 voting members for two consecutive years will be automatically placed on the BOG agenda for a “viability review.” The ~~Board of Governors~~BOG has the discretion to retain a section despite what might otherwise be considered to be a lack of viability when in the ~~Board’s~~BOG’s opinion the section is carrying on the work of the Bar as defined in ~~the Functions section of these Bylaws~~, and the work is of value to the legal profession.
3. Any section subject to a motion, petition, or viability review pursuant to paragraph (1) above ~~shall~~will be given notice and an opportunity to be heard by the ~~Board of Governors~~BOG. Notice must be sent by the Bar to the current section officers and/or executive committee and posted on the ~~WSBA-Bar~~ website at least one ~~Board~~BOG meeting prior to the meeting at which the Board plans to vote on the proposal.
4. A section subject to potential termination may petition the ~~Board of Governors~~BOG to be combined with another section, with that section’s written approval, and ~~shall~~will be given reasonable opportunity to present that petition to the BOG before the BOG votes on the section’s termination.
5. If a section is terminated pursuant to these Bylaws, section members ~~shall~~will be allowed to transfer to another section of their choosing, without payment of additional fees, for the remainder of the section dues year.
6. A section terminated pursuant to these Bylaws may apply for reactivation if they meet qualifications for establishing a new section.
7. Any funds remaining in the treasury of a section at the time of termination ~~shall~~will be transferred to the Bar’s general operating fund unless otherwise designated by the ~~Board of Governors~~BOG. Funds in the treasury of combined sections ~~shall~~will be combined.

XI. SECTIONS

A. DESIGNATION AND CONTINUATION.

Sections are entities of the Bar created and tasked to carry on the work of the Bar and further their purposes as defined in individual section bylaws. A list of all current sections will be maintained by the Executive Director. Once established, a section will continue until discontinued as provided in these Bylaws or in the section bylaws.

B. ESTABLISHING SECTIONS.

1. The BOG will consider the establishment of a new section on a petition and report endorsed by at least 150 Active members of the Bar. Any such petition must be filed with the Executive Director at least one BOG meeting prior to the meeting at which action on the proposal is contemplated and must substantially set forth:
 - a. The contemplated purpose of the section, which will be within the purposes of the Bar and not in substantial conflict with the purpose of any existing section or committee, the continuance of which is contemplated after the section is established;
 - b. Proposed bylaws of the section, which must contain a definition of its purpose;
 - c. The names of any proposed committees of the section;
 - d. A proposed budget for the section for the first two years of its operation;
 - e. A list of members of the Bar who have signed statements that they intend to apply for membership in the section;
 - f. A statement of the need for the proposed section.
2. The BOG may create a new section by combining sections as set forth in these Bylaws.

C. MEMBERSHIP.

1. Any Active member of the Bar may be a voting member of a section and eligible for election to office in the section upon paying the annual dues established by the section. Inactive members may not be voting members of sections.
2. If provided for in the section bylaws, any Emeritus Pro Bono member pursuant to APR 8(e), Judicial member, House Counsel under APR 8(f), professor at a Washington law school (whether licensed in Washington or not), or any lawyer who is a full time lawyer in a branch of the military who is stationed in Washington but not licensed in Washington, may be a voting member of the section and eligible for election to office in the section.
3. Law students will be allowed to be nonvoting members of any section at a standard annual dues amount set by the BOG.
4. Sections may adopt bylaw provisions authorizing inactive members, and others not eligible for section membership as voting members, to be nonvoting

members or “subscribers” of the section.

D. DUES

Dues will be paid annually in the amount determined by the section executive committee and approved by the BOG. Any person who fails to pay the annual dues will cease to be a member of the section.

E. BYLAWS AND POLICIES.

1. Sections are subject to all Bar Bylaws, policies, and procedures. Each section must have bylaws consistent with the Bar Bylaws. Amendments to section bylaws may be made by a majority vote of the voting executive committee members or by a majority vote of section members present at a section meeting. Section bylaws or amendments thereof will become effective when approved by the BOG.

F. SECTION EXECUTIVE COMMITTEE.

1. Each section will have a section executive committee consisting of, at a minimum, the following Officer positions: Chair, Secretary and Treasurer (or Secretary/Treasurer); and may have At-Large members. Unless otherwise permitted by a section’s bylaws, voting members of a section executive committee must be Active members of the Bar and a member of the section for their entire term of office on the executive committee. Additionally, a section executive committee may have non-voting members. The section executive committee is empowered to act on behalf of the section unless it chooses to take a vote of the section membership.
2. Officers. Unless otherwise permitted by a section’s bylaws, officers of a section executive committee must be Active members of the Bar and elected by the section membership to complete the one-year term of office.
 - a. Chair. The Chair of the section presides at all meetings of the section and section executive committee, and will have such other executive powers and perform such other duties as are consistent with the Bar and section bylaws.
 - b. Secretary. The Secretary will take minutes at each meeting of the section and section executive committee, and provide approved minutes to the Bar for publication and record retention.
 - c. Treasurer. The Treasurer will work with the Bar to ensure that the section complies with Bar fiscal policies and procedures, work with the Bar to prepare the section’s annual budget, and review the section’s monthly financial statements for accuracy and comparison to budget.
 - d. A section may have additional officer positions as defined in its section bylaws.
3. At-Large Members. At-large members of the section executive committee will be voting members. At-large members will be elected by the section membership to three-year terms. A section executive committee may appoint its Young Lawyer Liaison (if any) as a voting member of the section’s executive committee.

4. Non-voting Members. Voting members of the section executive committee may appoint non-voting members from among the current members of the section to further the work of the Bar and section. Non-voting members serve at the discretion of the section executive committee.
5. Executive committee members are not subject to a limit on the number of the consecutive terms they may serve unless stated in a section's bylaws.
6. All section executive committee positions will begin October 1 each year.

G. NOMINATIONS AND ELECTIONS.

1. Nominations.
 - a. Nominating Committee. Each section will have a nominating committee consisting of no less than three section members appointed annually by the Chair or executive committee. At least one member of the nominating committee should not be a current member of the section executive committee.
 - b. The executive committee should reflect diverse perspectives. To assist this, all applicants will apply through an electronic application process administered by the Bar. The application form will, on a voluntary basis, solicit information including, but not limited to, the person's ethnicity, gender, sexual orientation, disability status, area of practice, years of practice, employer, number of lawyers in law firm, previous involvement in section activities, and skills or knowledge relevant to the position. The nominating committee should actively take factors of diversity into account when making recommendations.
 - c. Alternate Nomination Process. The executive committee will also have an alternative process to allow for nominations to occur outside of the nominating committee process.
 - d. Executive Committee Approval. The executive committee will approve a list of nominees for each open position. Persons nominated through an alternative nomination process will be included on the final list of approved nominees.
2. Elections
 - a. Only voting members of the section may participate in section elections.
 - b. The Bar will administer the elections by electronic means and certify results, unless the section develops its own equivalent electronic election process. For sections that administer elections through an alternate equivalent electronic election process, the section must provide the Bar with the total number of votes cast and the number of votes received for each candidate immediately following the close of the election.
 - c. In the event of a tie, the section executive committee will implement a random tie-breaker of its choice, such as a coin toss or a drawing of lots, to determine the

winner.

- d. All election processes must comply with the Bar record retention policies.
3. Timing. Nominations and elections for open section executive committee persons will be held between March and May each year.

H. VACANCIES AND REMOVAL.

1. The section executive committee will appoint, by a majority vote, members to fill vacancies on the section executive committee. When a member is appointed to fill a vacancy in an unexpired term, the member will do so until the next annual election when an individual will be elected to serve the remainder of the vacated term.
2. Any member of the executive committee may be removed by a two-thirds majority vote of the section executive committee. Grounds for removal include, but are not limited to, regular absence from section executive committee meetings and events, failure to perform duties, unprofessional or discourteous conduct or whenever, in the executive committee's judgment, the executive committee member is not acting in the best interest of the section membership.

I. OTHER COMMITTEES.

The section executive committee may create other committees as necessary to further the purposes of the section. Section committees, section committee chairs, and section committee members serve at the discretion of the section executive committee.

J. BUDGET.

Each section executive committee must submit an annual budget request for each fiscal year to the BOG for review. The BOG will approve final section budgets as part of the Bar's annual budget. The section executive committee expenditures must be consistent with the approved section budget and consistent with the Bar fiscal policies and procedures.

K. SECTION REPORTS

Each section must submit an annual report to the Executive Director and such other reports as requested by the BOG.

L. TERMINATING SECTIONS.

1. The BOG may consider terminating a section when it appears the section is no longer carrying on the work of the Bar as defined in these Bylaws. The issue will be raised (a) on motion, (b) on petition, or (c) at a "viability review" as defined in these Bylaws.
2. A section that has less than 75 voting members for two consecutive years will be automatically placed on the BOG agenda for a "viability review." The BOG has the

discretion to retain a section despite what might otherwise be considered to be a lack of viability when in the BOG's opinion the section is carrying on the work of the Bar as defined in these Bylaws, and the work is of value to the legal profession.

3. Any section subject to a motion, petition, or viability review pursuant to paragraph (1) above will be given notice and an opportunity to be heard by the BOG. Notice must be sent by the Bar to the current section officers and/or executive committee and posted on the Bar website at least one BOG meeting prior to the meeting at which the Board plans to vote on the proposal.
4. A section subject to potential termination may petition the BOG to be combined with another section, with that section's written approval, and will be given reasonable opportunity to present that petition to the BOG before the BOG votes on the section's termination.
5. If a section is terminated pursuant to these Bylaws, section members will be allowed to transfer to another section of their choosing, without payment of additional fees, for the remainder of the section dues year.
6. A section terminated pursuant to these Bylaws may apply for reactivation if they meet qualifications for establishing a new section.
7. Any funds remaining in the treasury of a section at the time of termination will be transferred to the Bar's general operating fund unless otherwise designated by the BOG. Funds in the treasury of combined sections will be combined.



**Board of Governors Meeting
WSBA Conference Center
Seattle, WA
November 18, 2016**

***WSBA Mission: Serve the public and the members of the Bar,
ensure the integrity of the legal profession, and to champion justice.***

How the Consent Calendar Operates: The item listed below is proposed for approval on the Consent Calendar. Following introductions in the Public Session, the President will ask the Board if they wish to discuss any matter on the Consent Calendar. If they do, the item will come off the Consent Calendar and be included for discussion under First Reading/Action Items on the regular agenda. If no discussion is requested, a Consent Calendar approval form will be circulated for each Governor's signature.

Consent Calendar Approval

a. September 29-30, 2016, Public Session Minutes.....	91
b. Appoint Chair to Washington Young Lawyers Committee.....	105
c. Appoint Members to FY2017 Legislative Work Group.....	106
d. Proposed Civil Rights Task Force Charter	109
e. Limited License Legal Technician Board's Suggested Course Application Fee	112
f. Recommendation from Amicus Brief Committee	113
g. Suggested Amendments to Limited Practice Officers Rules and Trust Account Regulations.....	125

DRAFT – SUBJECT TO APPROVAL

MINUTES

**Public Session
Washington State Bar Association
BOARD OF GOVERNORS**

**Seattle, WA
September 29-30, 2016**

The Public Session of the Board of Governors of the Washington State Bar Association (WSBA) was called to order by President Bill Hyslop on Thursday, September 29, 2016, at 1:20 p.m., at the WSBA Conference Center, Seattle, Washington. Governors in attendance were:

Keith M. Black
Philip L. Brady
Mario M. Cava
Ann Danieli
Sean M. Davis
James K. Doane
Elijah M. Forde
Bradford E. Furlong
Angela M. Hayes
Andrea S. Jarmon
Jill A. Karmy
William D. Pickett
G. Kim Risenmay
Karen Denise Wilson

Also in attendance were President-elect Robin Haynes, Immediate Past-President Anthony Gipe, Executive Director Paula Littlewood, General Counsel/Chief Regulatory Counsel Jean McElroy, Chief Disciplinary Counsel Doug Ende, Director of Human Resources Frances Dujon-Reynolds, Chief Communications Officer Debra Carnes, Chief Operations Officer Ann Holmes, Director of Advancement/Chief Development Officer Terra Nevitt, Governors-elect Athan Papailiou (web-cast part of Thursday; in-person Friday), Christina Meserve, Dan Bridges, and Rajeev Majumdar, and Executive Assistant Margaret Shane.

WELCOME AND INTRODUCTIONS

Officers, Governors, staff, liaisons, and guests introduced themselves. President Hyslop welcomed the Board and everyone in attendance to the WSBA Conference Center, Seattle, Washington.

The following items were discussed on Thursday, September 29, 2016.

PRESIDENT'S REPORT

President Hyslop reported that in Executive Session the Board approved the July 22-23, 2016, Executive Session Minutes; heard the Executive Director's Report, acted on the Lawyers' Fund for Client Protection Board gift recommendations, and received the report on the Executive Director's annual evaluation.

CONSENT CALENDAR

Nothing was pulled from the Consent Calendar. Treasurer Wilson noted that there was a scrivener's error in the July 22-23, 2016, Public Session Minutes where the numbers of one of the proposed license fee options for 2018 were transposed from \$434 to \$343. It was the unanimous decision of the Board that these Minutes stay on the Consent Calendar and that the number be corrected accordingly.

- a. July 22-23, 2016, Public Session Minutes
- b. August 23, 2016, Special Meeting Public Session Minutes
- c. 2017 Keller Deduction Schedule
- d. WSBA Committee on Mission Performance and Review (CMPR) Report
- e. Recommendations re WSBA APEX Awards
- f. WSBA Reserve Policy
- g. Construction Law Section Design Professional Model Residential Contracts
- h. Proposed Amendments to Civil Rights Law Section Bylaws
- i. Appoint Member to Continuing Legal Education (CLE) Committee
- j. Appoint Co-Chair to Pro Bono and Public Service Committee

WASHINGTON STATE BAR FOUNDATION (WSBF) Annual Meeting – Judy Massong, President, and Terra Nevitt, Director of Advancement/Chief Development Officer

WSBA President Hyslop turned the gavel over to WSBF President Massong who called the meeting of the Foundation members to order at 1:30 p.m. She explained that she was seeking approval for the 2016-2017 slate of WSBF Trustees as recommended by the WSBF Board. Governor Davis moved to approve the slate as presented. Motion passed unanimously. WSBF President Massong thanked the Board for its 100% participation and reported on fundraising efforts for the WSBF. She adjourned the meeting of the Foundation members at 1:40 p.m. and returned the gavel to WSBA President Hyslop.

WSBA FY2017 BUDGET – Governor Karen Denise Wilson, Treasurer; Ann Holmes, Chief Operations Officer; and Tiffany Lynch, Controller

Treasurer Wilson referred the Board to the information contained in the meeting materials, then summarized the Budget & Audit Committee's and Board's extensive work this year examining historical, current, and projected multi-year revenues, expenses, license fees, and reserves; Board decisions over the past four years that have reshaped the Bar; WSBA program impacts; and license fee projections, approaches, and options. She explained that the proposed budget, which was unanimously recommended by the Committee, reflects Board policy decisions about the programs, services, and operations needed to advance the WSBA mission and to serve its members and the public. Chief Operations Officer Holmes reviewed the few changes to the proposed budget since the Board considered it on first reading on July 23. Governor Brady moved to approve the WSBA FY2017 Budget as contained in the meeting materials. Motion passed unanimously.

2018-2020 WSBA LAWYER LICENSE FEES – Governor Karen Denise Wilson, Treasurer; Ann Holmes, Chief Operations Officer; and Tiffany Lynch, Controller

Treasurer Wilson explained that the 2018-2020 WSBA license fees proposal, also unanimously recommended by the Budget and Audit Committee and considered by the Board on first reading in July, was an integral part of deliberations involved in setting the budget. At that meeting, the Board agreed that 2018-2020 license fees should be set to preserve a minimum General Fund reserve of \$2 million by 2019, which would entail license fees of \$449 in 2018,

\$453 in 2019, and \$458 in 2020. Treasurer Wilson reviewed the many changes that the Bar has made since the 2012 referendum, which reduced license fees from \$450 to \$325 (the 2001 level), to keep license fees as low as possible for as long as possible. Fees were held at \$325 through 2015 by improved efficiencies and intentional use of reserves that had built up from program cuts made prior to and after the referendum. Governor Furlong moved to approve the 2018-2019 lawyer license fees as contained in the meeting materials. Motion passed 13-1. On behalf of the Board, Treasurer Wilson thanked Controller Lynch for more than ten years of exceptional service to the Bar.

RECOMMENDATION FROM BOG LEGISLATIVE COMMITTEE (BLC) RE COUNCIL ON PUBLIC DEFENSE (CPD) STATEMENT ON LEGAL FINANCIAL OBLIGATIONS (LFO) REFORM IN WASHINGTON STATE – Governor Phil Brady, BLC Chair; Travis Stearns, CPD Member; and Alison Phelan, WSBA Legislative Affairs Manager

Chair Brady advised that the CPD statement meets GR 12 and is a preliminary statement of goals, not a list of final actions. CPD Member Stearns explained that the CPD is seeking to encourage the Legislature to reform the use of court fees and fines and adequately fund the court system without reliance on fines and fees collected from low-income people. Governor Cava moved to approve the statement drafted by the CPD regarding LFO reform policies in Washington state. Motion passed unanimously.

LAWYERS' FUND FOR CLIENT PROTECTION (LFCP) BOARD RECOMMENDATION RE GIFT LIMIT – Chach Duarte White, LFCP Vice-Chair, and Kevin Bank, Assistant General Counsel

Assistant General Counsel Bank explained that the limit for each LFCP Board gift is currently \$75,000 and that the LFCP Board had spent the past year considering whether there should be an increase to the gift limit, and if so, how much. He advised that the LFCP Board had come to the conclusion that the gift limit should be increased. He explained that gifts over \$5,000 can be prorated as permitted by the Fund's procedural rules, which will prevent depletion of the Fund. The LFCP Board unanimously recommends that the BOG recommend a rule change in the APRs to raise the limit to \$150,000 and to clearly state that in the rules. Vice-Chair Duarte White added that the LFCP Board discussed this matter in great depth and that one of the considerations was that there currently is a large Fund balance and there are people whose losses could be better alleviated by a larger gift. Governor Cava moved to approve the LFPC

Board recommendation to increase the per-claim gift limit from \$75,000 to \$150,000, and to recommend to the Washington Supreme Court that the Fund's procedural rules be amended to clearly state the new claim limit, as set forth in the suggested amendments to the APR. Motion passed unanimously.

RESOLUTION RE LIMITED LICENSE LEGAL TECHNICIAN (LLLT) PROGRAM – Governor Andrea Jarmon and Governor Brad Furlong

Governor Jarmon explained that the purpose of the proposed resolution is to make clear the Board's support for the work of the LLLT Board and to recognize the intent of the LLLT program, which is to help alleviate the unmet legal civil needs of the public. Governor Doane moved to approve the proposed resolution in support of the LLLT license and profession. Discussion ensued regarding the possibility of LLLTs appearing in court; the hope that the proposed resolution would help refute misinformation in some national media that the current Board was interfering with and not supporting the LLLT program; the expected timeline for when the LLLT program will become self-sustaining; and the estimated costs of expanding to other practice areas. Governor Karmy called the question. Motion to call passed 13-1. Main motion to approve the resolution as proposed passed unanimously.

LAW SCHOOL EDUCATION AND SKILLS FOR THE 21st CENTURY LEGAL PROFESSIONAL

Alli Gerkman, Institute for the Advancement of the American Legal System (IAALS) Director of Educating Tomorrow's Lawyers, gave a presentation on the IAALS Foundations for Practice Project, which identified the foundations and characteristics needed by new lawyers in order to possess sufficient skills to practice. Executive Director Littlewood highlighted that the Washington state law schools are doing innovative programming in their orientations which address some of the Project's findings and recommendations. Annette Clark, Dean of Seattle University School of Law, Jane Korn, Dean of Gonzaga University School of Law, and Kellye Testy, Dean of University of Washington School of Law, each shared practices at their respective schools and how many of the Project's findings relate to their own experiences in dealing with students and prospective employers. Discussion ensued regarding internships and externships; debt load and scholarships; decline in applications; state funding for public education; and retaining income-based and public service loan programs. The Deans

emphasized the importance of continued collaboration and open discussion regarding the value of law and of the profession. IAALS Director Gerkman suggested looking into a New Hampshire program that involves an innovative collaboration among the judiciary, the Bar, and law schools to provide an experience-based pathway to admission to the New Hampshire Bar.

The following items were discussed on Friday, September 29, 2016.

SUGGESTED GR 12 AMENDMENTS – Paula Littlewood, Executive Director; Jean McElroy, General Counsel/Chief Regulatory Counsel; and Doug Ende, Chief Disciplinary Counsel

General Counsel McElroy explained that the purpose of the suggested amendments is to clearly reflect in the rule all of the activities that the Supreme Court has authorized the WSBA to perform in line with the Court's authority to regulate the practice of law, and to incorporate the ABA Model Regulatory Objectives into Washington state's court rules. Governor Furlong moved to amend the suggested GR 12 amendments and the proposed Bylaw amendments to retain the word "Association" in the name of the organization. Governor Wilson explained that the proposal to remove the word Association in no way represents either a shift of power from the Board to the Washington Supreme Court or a change in the organization's commitment to serve the legal professionals of Washington state, but rather was recommended to more accurately reflect the dual nature of the Bar's function as both a regulatory agency and professional association as well as to align with the names of most unified Bars nationwide. Motion to retain the word Association in the name of the organization and in the rules and Bylaws passed 13-0 -1. Governor Wilson abstained.

Governor Pickett moved to table the vote on GR 12 until the Board's November 18, 2016, meeting in order to give the membership more time to digest the materials. Discussion ensued regarding the lack of any opposition, other than the name change, at the first reading of this item at the Board's August 23, 2016, special meeting and the two-year delay that would ensue if the suggested GR 12 amendments are not sent to the Washington Supreme Court after this Board meeting due to the Court's rule making cycle. Discussion ensued regarding whether the word "exclusive" in the first line of suggested Rule 12 should be changed to "plenary."

Executive Director Littlewood reminded the Board that under the GR 9 process, the Court will decide whether to publish the suggested GR 12 changes as proposed amendments for public comment; if it does, anyone will have an opportunity to submit comments to the Court. Geoff Revelle, Access to Justice (ATJ) Board liaison, stated that the ATJ Board supports the concepts in the suggested GR 12 amendments, as well as the proposed Bylaw amendments, and feels they are long overdue and a step forward in getting unmet civil legal needs solved.

Governor Pickett's motion to table this item to the November Board meeting failed 11-2-1. Governor Black abstained. Governor Karmy moved to approve the language and send the suggested GR 12 amendments to the Washington Supreme Court. Governor Risenmay moved to amend the first line of Rule 12 to replace "exclusive" with "plenary." Governor Risenmay's motion to amend passed 8-4-2. Governor Pickett was among the abstentions. Governor Karmy's main motion as amended (keep "Association" in the name and replace "exclusive" with "plenary" in the first line of Rule 12) passed 13-1. General Counsel McElroy noted that the word "misconduct" will need to be added to the Bylaws since they need to conform to GR 12.

PROPOSED WSBA BYLAW AMENDMENTS – Immediate Past-President Gipe, Bylaws Work Group Chair, and Jean McElroy, General Counsel/Chief Regulatory Counsel

Chair Gipe explained the composition of the materials and what would be discussed at this meeting. He noted that implementation of Articles III and IV, if passed, would be delayed if and until the Washington Supreme Court issues an Order; and that Article XIV on Indemnification had been taken off the table for consideration at this meeting. He reminded the Board that everything in the WSBA Bylaws must comply with GR 12.

Governor Black moved that the proposed WSBA Bylaw amendments be conformed to GR 12 to include the word "Association" in all parts of the Bylaws. Motion passed unanimously. Governor Davis was not present for the vote.

Governor Karmy moved to make no changes to the recall provisions (Article VI.F.) at this time. Motion passed unanimously.

Governor Pickett moved to table action on the proposed WSBA Bylaw amendments until the November 18, 2016, Board meeting in order to allow the WSBA membership additional time to comment. Motion failed 12-2. Governor Pickett then moved to table the vote on the proposed WSBA Bylaw amendments, but not table discussion, until the November 18, 2016, Board meeting. Discussion ensued regarding the work of the Board on WSBA governance and the Bylaws over the past three years, and input received from the WSBA membership during that time; trust of the membership being built by appropriate action rather than inaction; and it not being in the interest of the membership for five Board members going off the Board after the September meeting not to participate in the decisions regarding the proposed WSBA Bylaw amendments after three years of education, debate, and discussion of the issues. Motion failed 9-4-1. Governor Black abstained.

Article I – Functions

Governor Jarmon moved to adopt the proposed amendments to Article I as contained in the meeting materials. Governor Wilson clarified that “misconduct” would be added to this article as discussed during consideration of the suggested GR 12 amendments (Article I.B.6). Discussion ensued regarding whether to keep “bar” in proposed Article I.A.1; it was noted that “legal profession” broadens the scope of this particular article rather than narrowing it. Governor Jarmon moved to amend the motion to allow for including “and the bar” in Article I.A.1. Motion died for lack of a second. The original motion passed unanimously, with the clarification described by Governor Wilson.

Article II – Definitions and General Provisions

Governor Brady moved to adopt the proposed amendments to Article II as contained in the meeting materials. In answer to an inquiry, Chair Gipe clarified that “the office of the bar” is wherever the main office is located. Motion passed 13-1.

Article III – Membership

Governor Brady moved to adopt the proposed amendments to Article III as contained in the meeting materials.

Chair Gipe clarified that the proposed change to require taking the bar exam when transferring to active status after being inactive and not practicing anywhere for ten years or more (Article III.D.3) is more generous than was allowed in previous WSBA Bylaws (which provided for three or five years), and consistent with current practice.

In addition, Chair Gipe clarified that the intent of the Bylaws Work Group was not to make any change to the license fee referendum process, because that type of referendum is and would continue to be covered by the general referendum provisions in other sections of the Bylaws. Governor Wilson explained that the proposed amendment is intended to clarify that the provision is intended to apply to referenda on the Bar's budget as distinguished from the Bar's license fee. Chair Gipe emphasized that the sole point of the proposed amendment makes it explicit that WSBA members can have a referendum on the license fee, but not on the license fee through the budget, and that this distinction is already contained in the current WSBA Bylaws.

Governor Karmy moved to amend the motion to include "...shall be subject to the same referendum process as other BOG actions, but..." as in the current Article III.H..6. Motion passed 8-5-1. Governor Pickett abstained. Original motion as amended passed 13-1.

Article IV – Governance

Chair Gipe reminded the Board that the proposed WSBA Bylaws amendment with regard to the addition of BOG members is in actuality a recommendation to the Washington Supreme Court and will not be effective unless the Court issues an Order or adopts a Court Rule consistent with this provision. Governor Doane moved to amend Article IV.B introductory paragraph to include "lawyer" between "Active" and "members." Discussion ensued regarding whether limited license members should be Officers; importance of including the potential of limited license

members as Officers in light of the North Carolina Dental case; and whether to move forward in a measured manner or open the door fully. Motion to amend proposed Article IV.B amendment passed 9-5.

Article IV.A.1 – Board of Governors

Chair Gipe advised that the Board would need to choose between two versions regarding election of the proposed newly added At-Large Governors to the Board: Version 1 would result in six At-Large Governors elected by the Board (that is, the three current At-Large BOG members and the proposed 3 new At-Large BOG members); Version 3 would result in four At-Large Governors elected by the Board (that is, the three current At-Large BOG members and the one proposed new LLLT/LPO At-Large member), and the two proposed new At-Large Governors from the public nominated by the Board and appointed by the Washington Supreme Court.

Governor Risenmay moved to amend the proposed WSBA Bylaw amendments to Article IV.A.1 to state that the Limited Practice Officers (LPOs) and Limited License Legal Technicians (LLLTs) be elected by their respective license types. Discussion ensued regarding “WSBA members” including lawyers, LPOs and LLLTs. Motion failed 4-10. Governor Furlong moved to adopt Version 1 (election of six At-Large Governors by the Board). Motion passed 11-2-1. Governor Risenmay abstained.

Governor Furlong moved to amend the language in proposed Article IV.A.1 (Composition of the Board) and Article IV.A.2.d (Duties of the Board Members) as contained on page 576 in the meeting materials. He explained that his intent is to clarify that each Governor is to represent their own district and to bring that unique perspective to the Board to help it make wise decisions that are in the best interest of the entire Bar, not just the members in that particular Congressional District. Governor Furlong’s motion to amend Article IV.A.1 and Article IV.A.2.d passed unanimously.

Governor Cava then moved to amend the amended Article IV.A.1 – Composition of the Board by striking the words “and representing” from the amended language in the first sentence of Article IV.A.1. Governor Cava’s motion to amend passed unanimously.

Article V – Appropriations and Expenses

Governor Cava moved to adopt the proposed amendments to Article V as contained in the meeting materials. Motion passed unanimously.

Article VI – Elections

Chair Gipe reminded the Board that Version 1 contained in the meeting materials matches the decision the Board made during discussion of Article IV – Governance, in which the BOG voted to have six At-Large Governor positions, with three as designated in the current bylaws, and three more as decided today - two for members of the public and one for either a LLLT or a LPO. Governor Doane moved to amend Article VI.A.1. to insert “lawyer” between “Active” and “member” in the opening paragraph, to clarify that District governor positions are reserved for lawyers and not open to LLLTs and LPOs. Motion passed 8-6. Governor Cava moved to approve the proposed amendments to Article VI as amended. Motion passed unanimously.

Article VII – Open Meetings

Governor Cava moved to adopt the proposed amendments to Article VII as contained in the meeting materials. Motion passed 13-0. Governor Pickett abstained.

Article VIII – Member Referenda and BOG Referrals to Membership

Chair Gipe advised the Board that this Article has been withdrawn from consideration at this meeting and that the Board will take action at a future date.

Article IX – Committees, Councils, and Other Bar Entities

Governor Brady moved to adopt the proposed amendments to Article IX as contained in the meeting materials. Motion passed 13-1.

Article X – Regulatory Boards

Governor Jarmon moved to adopt the proposed amendments to Article X as contained in the meeting materials. Motion passed unanimously.

Article XI – Sections

Chair Gipe advised the Board that the proposed amendments in this Article were recommended by the Sections Policy Work Group at its September 15, 2016, meeting. Governor Doane moved to adopt the proposed amendments to Article XI as contained in the meeting materials. In answer to an inquiry, Chair Gipe and Governor Wilson clarified that Sections can determine how many people would be on their Executive Committee as long as they have at least the minimum number of officer positions. They also clarified that a question was raised about whether LPOs and LLLTs would be voting Section members, and whether they would be eligible to be elected to serve as officers of the Sections. It was requested that the Board hold Article XI until the November 18, 2016, Board meeting in order to give the Sections time to provide further input. Governor Black moved to table Article XI until the November 18, 2016, Board meeting. Governor Cava moved to extend the Charter of the Sections Policy Work Group through the November 18, 2016, Board meeting. Chair Gipe advised that these discussions would not require the Sections Policy Work Group, but that the Board could empower the incoming President to create a small group of active Governors and any Sections members from the Sections Policy Work Group to review input on Article XI and prepare a proposal for final action at the Board's November 18, 2016, meeting. Governor Black's motion to table this item until the November 18, 2016, Board meeting passed 11-2-1. Governor Karmy moved to not reassemble the full Sections Policy Work Group, but that the Work Group members should be sent the changes and comments to the draft and be allowed to comment on it. Governor Wilson advised that the members of the Sections Policy Work Group do not want to continue their service and it is not necessary to reconstitute a formal structure. Governor Karmy withdrew the motion.

Article XII – Young Lawyers

Governor Cava moved to adopt Article XII as contained in the meeting materials. Motion passed unanimously.

Article XIII – Records Disclosure and Preservation

Governor Cava moved to adopt Article XIII as contained in the meeting materials. Motion passed unanimously.

Article XIV - Indemnification

The Board agreed unanimously to table this Article indefinitely and that it can be brought back in the future if new amendments are developed and ready for review by the Board.

Article XV – Keller Deduction

Governor Cava moved to adopt Article XV as contained in the meeting materials. Motion passed unanimously.

Article XVI – Amendments

Governor Cava moved to adopt Article XVI as contained in the meeting materials. Motion passed unanimously.

SUGGESTED AMENDMENTS TO ADMISSION AND PRACTICE RULES (APRs) – Jean McElroy, General Counsel/Chief Regulatory Counsel

Governor Wilson moved to approve the suggested amendments to the APRs, as contained in the meeting materials, for submission to the Washington Supreme Court. Motion passed unanimously.

WSBA RELIGIOUS AND SPIRITUAL PRACTICES POLICY – Jean McElroy, General Counsel/Chief Regulatory Counsel, and Frances Dujon-Reynolds, Director of Human Resources

General Counsel McElroy reported that discussions had continued since the July BOG meeting with members of the Indian Law Section and work is being done to produce an agreed-upon revision of the proposed policy. She requested that the Board delay consideration of this item

to a later meeting. Governor Jarmon moved to table this item until the November 18, 2016, Board meeting. Motion passed unanimously.

ADJOURNMENT

There being no further business, the Public Session portion of the meeting was adjourned at 3:20 p.m. on Friday, September 29, 2016. President Hyslop passed the gavel to incoming President Robin Haynes.

Respectfully submitted,

Paula C. Littlewood
WSBA Executive Director & Secretary



WSBA

BOARD OF GOVERNORS

Robin L. Haynes
President-elect

phone: 509.928.4141
e-mail: robin@mcneicewheeler.com

TO: Board of Governors

FROM: Pam Inglesby, WSBA Communications Services Operations Manager

RE: 2016-2017 Washington Young Lawyers Committee Chair Appointment

DATE: November 4, 2016

CONSENT: Please appoint Paul Webber as Chair of the Washington Young Lawyers Committee for a term beginning immediately and ending September 30, 2017.

Earlier this year the BOG appointed Paul Webber as chair-elect of the Washington Young Lawyers Committee, beginning October 1, 2016. Since then the 2016-17 Chair of the WYLC has resigned. The WYLC asks that the BOG promote Paul Webber to the Chair position for 2016-17, beginning immediately.



WSBA

OFFICE OF LEGISLATIVE AFFAIRS

MEMORANDUM

TO: WSBA Board of Governors

FROM: Robin Haynes, WSBA President, and Alison Phelan, WSBA Legislative Affairs Manager

DATE: November 18, 2016

RE: WSBA FY17 Legislative Workgroup Appointments (**CONSENT ITEM**)

CONSENT: Approve the members below to the WSBA FY17 Legislative Workgroup as appointed by WSBA Pres. Robin Haynes.

BACKGROUND:

At the July 2016 meeting, the Board of Governors (BOG) approved a recommendation made by the WSBA Committee on Mission Performance and Review (CMPR) to form a legislative workgroup in FY17. The CMPR has expressed concern that a more efficient internal process is needed when vetting Section-proposed legislation as well as attention to the existing structure of the WSBA Legislative Committee to better utilize WSBA volunteers and resources.

Pres. Haynes met with members of the WSBA Legislative Committee on September 19, 2016 to solicit feedback regarding volunteers for the workgroup as well as potential issues to be addressed for workgroup meetings.

The WSBA FY17 Legislative Workgroup (Workgroup) charter is provided for information purposes.

RECOMMENDED ACTION:

Approve the following appointments made by Pres. Haynes to serve on the Workgroup:

Board of Governors (BOG)

Phil Brady, Former BOG Member, District 10
Judy Massong, Former BOG Member, District 7
Gov. Jill Karmy, BOG Member, District 3
Gov. Sean Davis, BOG Member, At-Large

Position

Chair
Vice-chair
Member
Member

WSBA Legislative Committee (WLC)

Taudd Hume, WLC Vice-chair:(District 5)

Geoffrey Revelle, WLC Member: (District 9)

Twyla Carter, WLC Member: (District 9)

Brian Considine, WLC Member: (District 10)

Position

Member

Member

Member

Member

Ex-Officio Members

WSBA Pres. Robin Haynes

WSBA Pres.-elect Brad Furlong, Chair, CMPR

Position

Ex-officio

Ex-officio

WSBA FY17 Legislative Workgroup: Charter

Purpose

The WSBA FY17 Legislative Workgroup (Workgroup) was created by the Board of Governors (BOG) by recommendation of the WSBA Committee on Mission Performance and Review (CMPR) in July 2016. The CMPR was tasked to discuss the possible sunset of the WSBA Legislative Committee (WLC) when the BOG approved structural changes to the WLC in March 2016.

The CMPR believes a more efficient process is needed when vetting WSBA Section proposals that ultimately become Bar-request legislation. The CMPR also expressed an interest in review of the existing structure of the WLC to better utilize WSBA volunteers and resources.

The Workgroup is charged with the following tasks:

1. Review the current process for Bar-request legislation.
2. Evaluate the roles and responsibilities of relevant stakeholders and WSBA entities within that process.
3. Consider other models and best practices to inform potential changes.
4. Make recommendations that may include changes to process, policy, and/or procedure regarding Bar-request legislation.

Membership

The Workgroup is comprised of 11 members that include representatives from the BOG (6), WLC (4), and WSBA staff (1). Workgroup appointments are made by WSBA Pres. Robin Haynes with approval by the BOG.

Voting members (8):

- BOG (past, current) (4): Phil Brady, Judy Massong, Jill Karmy, Sean Davis; and
- WLC (current) (4): Taud Hume, Geoffrey Revelle, Twyla Carter, Brian Considine.

Non-voting members (3):

- Ex-officio (2): Pres. Robin Haynes and Pres.-elect Brad Furlong, CMPR Chair; and
- Staff (1): Alison Phelan.

Timeline

The Workgroup will convene up to three times during FY17 that includes two in-person meetings and one optional phone meeting.

The Workgroup will submit a report containing recommendations to the CMPR in June 2017. The CMPR will review and make a final recommendation to the BOG at the July 2017 Board meeting.



To: Board of Governors
From: Margaret Shane, Executive Assistant
Date: November 10, 2016
Re: Creation of Civil Litigation Rules Drafting Task Force

Consent: Authorize Civil Litigation Rules Drafting Task Force and approve proposed Charter

Background

The WSBA Board of Governors created the Task Force on the Escalating Cost of Civil Litigation (ECCL Task Force) in 2011 to assess the costs of civil litigation in Washington courts and develop recommendations to control costs. The Task Force issued its final report June 15, 2015, and initially presented the report to the Board of Governors at its July 2015 meeting. Following an in-depth process of vetting and consideration of public and member input, the Board took final action on the ECCL Task Force report at its July 22, 2016, meeting, and the Board issued a report on each of the Task Force recommendations.

Many of the Board-supported recommendations of the ECCL Task Force would require implementing amendments to the Superior Court Civil Rules and/or the Civil Rules for Courts of Limited Jurisdiction.

Request for BOG Action

At the July 2016 Board of Governors meeting, the BOG discussed creation of Task Force to draft these implementing amendments to the Superior Court Civil Rules and/or the Civil Rules for Courts of Limited Jurisdiction. The Executive Committee recommends the attached charter to authorize a WSBA Civil Litigation Rules Drafting Task Force under WSBA Bylaws Section IX(B)(2) for the BOG's approval and consideration.

Attached

- A. Proposed Charter for WSBA Civil Litigation Rules Drafting Task Force



WSBA

WASHINGTON STATE BAR ASSOCIATION

CIVIL LITIGATION RULES DRAFTING TASK FORCE

(Adopted by the WSBA Board of Governors November __, 2016)

CHARTER

Background

The WSBA Board of Governors created the Task Force on the Escalating Cost of Civil Litigation (ECCL Task Force) in 2011 to assess the costs of civil litigation in Washington courts and develop recommendations to control costs, with the objective to make the civil justice system both affordable and accessible while preserving the paramount goal of justly resolving disputes. The ECCL Task Force charter directed the task force to focus on the types of litigation typically filed in our state's superior and district courts, to compare litigation costs in Washington with those in neighboring and similarly situated states and in federal courts, and to survey pertinent reports and recommendations from prominent organizations.

Seattle lawyer and former Board member Russ Aoki chaired the 17-member task force, which issued its final report June 15, 2015 ("Task Force on the Escalating Costs of Civil Litigation Final Report to the Board of Governors") and presented the report to the Board of Governors at its July 2015 meeting. The Board convened public discussions on each of the report's recommendations during its January, March, and April 2016 meetings. It also received numerous written comments from members and stakeholders. At the June 3, 2016, meeting, the Board held a first reading and took provisional votes on the twelve specific task force recommendations. The Board took final action on each task force recommendation at its July 22, 2016 meeting and issued a report ("Report of the Board of Governors of the Washington State Bar Association on the Recommendations of the Escalating Costs of Civil Litigation Task Force"), which was shared with the Supreme Court in August 2016.

Many of the Board-supported recommendations of the ECCL Task Force would require implementing amendments to the Superior Court Civil Rules and/or the Civil Rules for Courts of Limited Jurisdiction. Under WSBA Bylaws Section IX(B)(2), the Board creates and authorizes a drafting task force with the specific purposes set forth in this charter.

Task Force Purpose

- Review the recommendations of the Board of Governors addressing the ECCL Task Force Report and determine whether amendments to Washington's Civil Rules are needed to implement the recommendations.

- Prepare draft amendments to the Superior Court Civil Rules and/or the Civil Rules for Courts of Limited Jurisdiction (together with necessary and appropriate conforming amendments to other rules).
- Solicit and receive input from lawyers, judges, and other interested persons and entities, on the suggested amendments.
- After consideration of the input, present a set of suggested rule amendments to the Board of Governors.

Timeline

- Submit a final set of draft rule amendments for first reading by the Board of Governors by no later than the Board's May 2018 meeting.
- Prepare a Board-approved set of suggested rule amendments for submission to the Supreme Court before the first available GR 9 deadline after the draft amendments are approved by the Board.
- The Task Force should provide updates to the Board of Governors every six months on its progress.

Membership

This Task Force will consist of the following voting members:

- A WSBA member who shall serve as Chair;
- Not fewer than ten WSBA members knowledgeable about Washington's superior court and/or district court civil justice systems, including at least one civil trial lawyer with substantial experience representing plaintiffs, at least one civil trial lawyer with substantial experience representing defendants, and at least one lawyer or judge who is a current or former member of the Washington State Access to Justice Board;
- A superior court judge and a district court judge;
- A representative of the Washington State Association of County Clerks.

This Task Force may also include the following voting members, if available to serve:

- A representative from the Washington Court of Appeals;
- A representative of the federal judiciary.

In accordance with WSBA Bylaws Section IX(B)(2)(a)-(b), selection of persons to be appointed to the task force and the chair will be made by the President with approval of the Board of Governors.



WSBA

LIMITED LICENSE LEGAL TECHNICIAN BOARD

MEMORANDUM

To: WSBA President, President-elect, and Board of Governors
From: Steve Crossland, Chair, Limited License Legal Technician (LLLT) Board
Ellen Reed, LLLT Program Lead and Staff Liaison to the LLLT Board
Date: October 31, 2016
Re: Proposed Fee for LLLT MCLE Sponsors (**Consent**)

CONSENT – Approve the LLLT Board’s suggested course application fee of \$50 for CLE sponsors seeking MCLE credit for LLLTs.
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DISCUSSION

The Limited License Legal Technician (LLLT) Board derives its authority from the Washington Supreme Court under Rule 28 of the Admission and Practice Rules (APR), adopted effective September 1, 2012. APR 28 authorizes licensed legal service providers who meet certain requirements to advise clients on specific areas of law. The Supreme Court established the LLLT Board to oversee the LLLT program.

On August 11, 2016, the LLLT Board voted to approve a course accreditation application fee of \$50 for CLE sponsors who offer mandatory continuing legal education (MCLE) courses for LLLT credit. The \$50 application fee proposed by the LLLT Board is equal to the application fee paid by sponsors who wish to offer CLEs for lawyers.

LLLT MCLE REGULATION

Although LLLT MCLE fees and policies are set by the LLLT Board, the policies established by the LLLT Board require that the BOG approve any fees. Upon approval by the BOG, the fee must then also be approved by the Supreme Court.

ATTACHMENTS:

None.



WSBA

OFFICE OF THE GENERAL COUNSEL

Kirsten M. Schimpff
Assistant General Counsel

direct line: 206-727-8213
fax: 206-727-8314
email: kirstens@wsba.org

To: The President, President-elect, Immediate Past-President, and Board of Governors
From: Kirsten Schimpff, Assistant General Counsel
Date: November 2, 2016
Re: Recommendation from Amicus Curiae Brief Committee re: Request for Amicus Curiae Brief in *Arden v. Forsberg Umlauf P.S.*, No. 93207-7 (Wash.) (**Action Requested – Consent Calendar**)

ACTION REQUESTED – Consent Calendar: The Board is requested to approve the recommendation from the Amicus Curiae Brief Committee to deny the request to file an amicus curiae brief in support of the plaintiffs-petitioners in the *Arden* case.

FACTS: The facts relevant to the request for an amicus curiae brief are stated in the request for amicus brief (Attachment 1), the response by counsel for defendants-respondents (Attachment 2), and in the petition for review and answer thereto filed with the Washington Supreme Court (in Supplemental Materials).

Briefly, the Ardens (the plaintiffs-petitioners who are requesting amicus participation) brought an action for breach of fiduciary duty and legal malpractice against the law firm and lawyers (the defendants-respondents who oppose amicus participation) who were hired to defend them by their homeowners' insurer in a civil suit brought by their neighbors, and who had also represented the insurer in unrelated coverage matters. The trial court granted the defendants' motion for summary judgment and the Court of Appeals affirmed. *See Arden v. Forsberg & Umlauf, P.S.*, 193 Wn. App. 731, 373 P.3d 320 (2016).

The Ardens filed a petition for review, which the Washington Supreme Court granted on September 28, 2016. *See Arden v. Forsberg & Umlauf, P.S.*, 380 P.3d 484, 2016 WL 5407925 (Wash. Sept. 28, 2016). The parties' supplemental briefs are due on November 28, 2016. It appears that oral argument has been scheduled for January 17, 2017, making any amicus brief due by December 2, 2016. *See* RAP 10.2(f)(1) (brief of amicus curiae should be received by the

Working Together to Champion Justice

governing body of a Section of the WSBA to be of substantial interest to the WSBA.

4. Necessity of Amicus Brief. The Amicus Curiae Committee will consider whether briefs already before the court provide the court with a complete picture of how the particular issue and decision will impact the interests of the WSBA as set forth in this policy. The WSBA will generally decline to participate as amicus curiae where the issues of concern to the WSBA are already fully developed.

The general consensus of the Committee was that although arguably the issues presented were of substantial interest because they concern the practice or business of law, the issues were fully developed in the briefing submitted by the parties with the amicus request, which included briefs submitted to the Court of Appeals and to the Supreme Court (with additional supplemental briefs still to be filed in the Supreme Court by the parties). The Committee did not believe there was a compelling reason for the WSBA to submit additional briefing on these issues.

Some Committee members expressed concern about the potential for retroactive application of a ruling in favor of the plaintiffs-petitioners here, and whether lawyers could potentially be subject to discipline or liability in the future for their current or past representation of clients consistent with *Tank*. Although there was general consensus that the Committee wanted the Board to be aware of this potential issue, a proposal that the Committee recommend to the Board that it should authorize the WSBA to “file an amicus brief in support of neither party addressing potential retroactive application of any consideration of the *Tank* decision and that the Court make clear that any retroactive application of a rule announced not be treated as a violation of the Rules of Professional Conduct” was voted down.

ATTACHMENTS:

1. Letter from counsel for Ardens requesting amicus participation
2. Letter from counsel for Forsberg Umlauf et al. opposing amicus participation
3. Comment from Committee on Professional Ethics
4. WSBA Amicus Curiae Brief Policy

SUPPLEMENTAL MATERIALS

- Petition for Review filed by Ardens (Washington Supreme Court)
- Answer to Petition for Review filed by Forsberg Umlauf et al. (Washington Supreme Court)

ALSO AVAILABLE: The parties’ briefs and decision from the Court of Appeals are available upon request.

CUSHMAN
LAW
OFFICES, P.S.
ATTORNEYS AT LAW

924 CAPITOL WAY SOUTH
OLYMPIA, WASHINGTON 98501

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JON E. CUSHMAN †
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† ALSO ADMITTED IN OREGON
* ALSO ADMITTED IN ALASKA, OREGON, IDAHO &
NORTH CAROLINA
ALSO ADMITTED IN ALASKA, OREGON, GUAM &
MINNESOTA

October 7, 2016

WSBA Amicus Committee
c/o Committee Chair
1325 4th Ave, Ste. 600
Seattle, WA 98101-2539

SENT BY EMAIL ONLY
WSBA: questions@wsba.org
Ian Cairns: ian@washingtonappeals.com
Kirsten Schimpff: kirstens@wsba.org

Re: Requesting appearance of WSBA as amicus curiae in
Arden v. Forsberg & Umlauf, P.S., Supreme Court No. 93207-7

Dear Amicus Committee:

On behalf of Roff and Bobbi Arden, petitioners in *Arden v. Forsberg & Umlauf, P.S.*, Supreme Court No. 93207-7, we request WSBA appear as amicus curiae.

The Supreme Court granted Ardens' petition for review on September 28. Supplemental briefs of the parties are due November 28. Oral argument will be scheduled in the Winter Term, as early as January 12, 2017.

Summary of the Case and Issues Presented

Forsberg & Umlauf attorneys, Hayes and Gibson, were appointed by the Hartford to defend Ardens, under a reservation of rights. The attorneys failed to disclose their existing relationships with Hartford—including an attorney-client relationship as coverage counsel—and the potential conflicts of interest that could arise. The attorneys failed to keep Ardens informed of all developments and information related to settlement. The attorneys followed the Hartford's settlement instructions to reject offers and make counteroffers without consulting with Ardens or obtaining Ardens' approval. The attorneys did not advise Ardens, or allow Ardens time to consult with personal counsel, regarding their options in the face of Hartford's refusal to settle.

Ardens sued Forsberg, Hayes, and Gibson for malpractice and breach of fiduciary duties. The trial court dismissed Ardens' claims on summary judgment. The Court of Appeals affirmed in a decision that entirely undermined the protections provided to insured clients by *Tank v. State Farm Fire & Cas. Co.*, 105 Wn.2d 381, 715 P.2d 1133 (1986). Ardens' petition for review identified the following issues that should be of interest to WSBA:

1. Under *Tank v. State Farm Fire & Cas. Co.*, 105 Wn.2d 381, 715 P.2d 1133 (1986), insurance-appointed defense counsel must fully disclose

potential conflicts of interest and resolve them in favor of the insured client. Forsberg had a potential “materially limited” conflict due to its long-standing relationships as coverage counsel and panel counsel for Hartford, but never disclosed these relationships to Ardens. Did Forsberg breach its fiduciary duties to Ardens by failing to disclose or resolve this conflict of interest?

2. Under *Tank*, defense counsel must keep the insured client fully apprised of all activity involving settlement, to enable the client to make informed decisions regarding settlement. Forsberg failed to consult with Ardens regarding their options in response to Hartford’s settlement decisions. Forsberg carried out Hartford’s instructions without giving Ardens an opportunity to react. Did Forsberg breach its fiduciary duties to Ardens?

Reasons for Granting the Amicus Request

The issues identified above should be of substantial interest to the WSBA. The Court will be required to illuminate the contours of the duties owed by attorneys to their clients. The duties outlined in *Tank* are the natural application of the RPCs to the context of insurance-appointed counsel defending under a reservation of rights—particularly, Rules 1.2 (client control of settlement), 1.4 (consultation with client), 1.7 (conflicts of interest and informed consent), 1.8 (allowing third-party payment of the lawyer’s fee only if there is no interference with the lawyer’s judgment or the attorney-client relationship), and 5.4 (same). The decision of the Court of Appeals gives attorneys license to evade these duties, to the detriment of their clients. At its heart, this case is about the **integrity of the bar** and the **effectiveness of the legal system** for clients being represented by insurance-appointed defense counsel. WSBA could bring a valuable perspective that would be helpful to the Court in resolving these issues.

Significant Related Cases

Tank v. State Farm Fire & Cas. Co., 105 Wn.2d 381, 715 P.2d 1133 (1986) (establishing ethical standards for insurance-appointed defense counsel and explaining counsel’s duties to the insured client)

Oral Argument

Ardens do not currently anticipate giving oral argument time to amicus. However, if WSBA takes a position sufficiently aligned with Ardens, we would be willing to consider a request to share oral argument time.

We would welcome the appearance of WSBA as amicus curiae in this case.

Respectfully,

Kevin Hochhalter

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October 31, 2016

Via Electronic Mail

Ms. Kirsten M. Schimpff
Washington State Bar Association
1325 Fourth Avenue, Suite 600
Seattle, WA 98101-2539

Re: *Arden v. Forsberg Umlauf P.S.*
Matter ID: 04801-013129.002

Joel E. Wright
Jeffrey P. Downer
Gregory P. Turner
Steven G. Wralth
Michelle A. Corsi
Bradley D. Westphal
John C. Versnel, III
Craig L. McIvor
Marc Rosenberg
Rosemary J. Moore
Peter E. Sutherland
Dirk J. Muse
William L. Cameron
Pamela J. DeVet

Kellan W. Byrne
Melinda R. Drogseth
Aaron P. Gilligan
James T. Graves
Seth Grossman
Sarah L. Lee
Jonathan J. Loch
Daniel C. Mooney
Matthew A. Quesnell
Kyle J. Rekofke
Collin J. Troy

Of Counsel:
Sam B. Franklin
Donna M. Young
Sherry H. Rogers

Nelson T. Lee
1920-2004
Fred T. Smart
1917-2012
John Patrick Cook
1934-2001
David L. Martin
1942-2012

Dear Ms. Schimpff:

Thank you for inviting our comments regarding whether Roff and Bobbi Arden's ("Appellants") request for amicus curiae participation by the WSBA meets the criteria set out in the Amicus Curiae Brief Policy. We believe that it does not, as described in more detail below.

Most importantly, one of the stated goals for the Committee is a credible amicus curiae participation program focused on the values and principles of general application to the WSBA. Policy, Part B.1. Appellants have stated the issues, and the facts on which they are based, in misleading and even demonstrably false terms. Accepting Appellants' assertions threatens the credibility of any amicus participant. As the record demonstrates, and contrary to the statements in Appellants' October 7, 2016 letter, the attorneys sued in this legal malpractice action did not violate the standard of care, their fiduciary duties, or the duties enumerated for attorneys in *Tank v. State Farm Fire and Casualty Co.*, 105 Wn. 2d 381, 715 P.2d 1133 (1986).

A. Factual Summary

In December 2011, appellant Roff Arden shot and killed his neighbors' puppy. His neighbors, the Duffys, called the police, and the sheriff's department responded to the scene. Mr. Arden admitted he shot the puppy, and one of the deputies recorded Mr. Arden's admission (later retracted) that he had shot another of the Duffys' dogs about 15 months before. Law enforcement immediately referred the case to the prosecutor's office, recommending an animal cruelty criminal charge.

In addition, the Duffys brought a civil action against the Ardens in June 2012. The Ardens tendered the suit to their homeowners' insurer, Hartford. Initially, Hartford denied the tender. The Ardens hired Jon Cushman of Cushman Law Offices, P.S. (still Appellants' counsel in this action) to represent them. He re-sent the tender of the case to Hartford, which then acknowledged its duty to defend.

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Hartford appointed the law firm of Forsberg & Umlauf, and attorneys John Hayes and Chris Gibson ("Attorneys"), to defend the Ardens. Mr. Cushman approved this appointment, and he remained the Ardens' counsel for coverage, for their counterclaim against the Duffys, and for aspects of the defense. At the time Hartford accepted the tender, Mr. Cushman informed the Ardens that, although the Hartford meant to reserve its rights to deny the claim, he believed Hartford was estopped from denying coverage. CP 601.

At the outset, the Attorneys disclosed to the Ardens that (a) their representation was limited to defending the Ardens in the lawsuit; (b) the insurer would probably attempt to reserve its rights; (c) with a reservation of rights, a coverage dispute might arise; and (d) they would not provide insurance coverage advice to either Hartford or the Ardens. The Attorneys also proposed to pursue a settlement plan with a goal of settling the case with Hartford's funds notwithstanding the possible reservation of rights. The Ardens, and their coverage counsel Mr. Cushman, approved this settlement plan. In fact, the Ardens' settlement position going forward was always that Hartford would have to fund the entire settlement amount.

The Attorneys served discovery on the Duffys soon after the first meeting with the Ardens. Before the discovery responses were due, the Duffys sent a settlement demand for \$55,000. Knowing they lacked evidence to support such a high demand, the Attorneys sought an extension of time to respond to it until after the Duffys answered discovery and produced their damages evidence. The Attorneys informed the Ardens and Mr. Cushman that they had requested this extension. Later that day, when the Duffys agreed to the extension, the Attorneys informed the Ardens and Mr. Cushman of that fact, too.

Although the Ardens believed the case was not worth anything close to \$55,000, Mr. Cushman contacted the Hartford, stating, "Ardens want to accept this offer provided it is paid by the carrier. Ardens demand the Hartford fund the settlement." CP 329. Hartford replied that, while it was not refusing to settle the case, it could not justify accepting such a demand without the Duffys' answers to discovery. In short, the reason the case did not settle for \$55,000 when the Duffys first demanded it was that Hartford would not pay it based on the available information.

After the Duffys answered discovery, and the Attorneys prepared a draft case analysis that they sent to Mr. Cushman and the Ardens before ever sending it to Hartford. The Attorneys assessed the settlement value at \$35,000, a number they thought was still very high. Mr. Cushman reviewed the report, suggested some changes to the language, and concluded, "I bet you can settle the case for the \$35,000 you estimate in value." CP 693. After making all the changes Mr. Cushman suggested, the Attorneys sent their analysis report to Hartford. The insurer agreed to fund settlement up to \$35,000 and approved an initial offer of \$18,000. Mr. Cushman knew of the offer before the Attorneys knew about, and when Attorneys sent him a message that they had been approved to offer \$18,000, Mr. Cushman replied, "I hope you succeed." CP. 714. He did not object to the offer.

The Duffys rejected the \$18,000 offer and at first declined to make a counter-demand. Mr. Cushman contacted the Duffys' counsel, requesting a "midpoint" demand. Then Duffys demanded \$40,000. Although the Attorneys told Hartford it could settle for only \$5,000 higher than the \$35,000 valuation, Hartford was not willing to settle the case at that number and approved a counteroffer of \$25,000. Mr. Cushman's response to Hartford was that it risked a

October 31, 2016

Page 3

bad faith case if it would not pay the higher demand, but he did not tell the Attorneys not to extend the offer. The Duffys rejected the offer.

During this time, the prosecutor was still assessing whether to bring criminal charges against Mr. Arden. He brought charges around this time. The prosecutor testified that he did not know the Duffys had brought a civil suit against the Ardens, CP 441. In March 2013, soon after learning about the criminal charges, Mr. Cushman initiated this action in the trial court, at first against only Hartford. Later, when Hartford threatened to remove the case to federal court, Mr. Cushman added a claim for legal malpractice against the Attorneys.

In the fall of 2013, the Ardens settled the Duffys' lawsuit as well as their own claims against Hartford. Then they continued to pursue the Attorneys. When the Attorneys filed a motion for summary judgment on the legal malpractice claim, the Ardens added a claim for breach of fiduciary duty. The Attorneys then moved for summary judgment on that claim as well. The Attorneys challenged every element of the Ardens' claims (duty, breach, causation, and damages). The trial court granted both motions for summary judgment, ruling on the basis of proximate cause and damages that the Ardens could not prove their case. The Ardens appealed, and Division 2 of the Court of Appeals affirmed the trial court, basing its decision on the elements of duty and breach. The Supreme Court granted the Ardens' petition for review.

Despite the evidence, including their own unambiguous admissions, the Ardens have misrepresented the facts at every stage of this case, claiming erroneously that the Attorneys failed to communicate with them, to take their instruction, and to advise them. Their case is built on false accusations of wrongdoing directed at not only the Attorneys who are parties to the case, but also all appointed defense counsel in Washington.

B. The Appellants' issues are not based upon the record in this case.

Tank describes the duties of counsel appointed to defend insured clients whose insurers are defending under a reservation of rights. It recognizes that conflicts of interest may arise in such cases, but implicitly rejects the concept that an automatic, unwaivable conflict arises just because an insurer pays defense counsel. *Tank* has been law in the State of Washington for thirty years, and there is no evidence in this case that the Attorneys – or any other attorneys – violated it. Nevertheless, Appellants rely on an unsupported contention that defense attorneys in this state do not comply with *Tank* to ask the Supreme Court for a bright-line rule that attorneys in Washington cannot represent insured clients if they have also represented, or are representing, insurers in unrelated coverage matters. This is not the current state of the law, as the Court of Appeals recognized in its opinion.

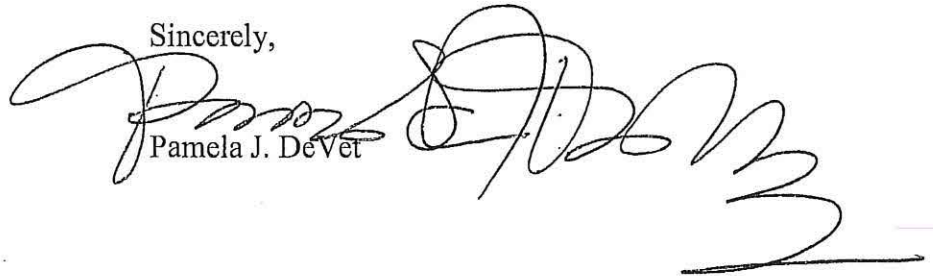
The WSBA has no interest in limiting its members by supporting Appellants' position. Jeff Tilden, the Attorneys' expert in the trial court, stated that hundreds of reasonable, careful, and prudent attorneys represent both insured clients and their insurers in unrelated coverage matters, and have done so for decades. If Appellants achieve their goal, each of these hundreds of Washington attorneys will have to opt to limit their practice to either coverage law or appointed defense. This will artificially shrink the available pool of experienced, ethical lawyers who can represent insured clients on the one hand or insurers on the other. Although Appellants' bid in the Supreme Court may arguably concern the independence or integrity of the bar, the accessibility of the legal system, or the practice or business of law, the Attorneys' position is superior with regard to these concerns.

October 31, 2016

Page 4

Appellants did not attempt to explain how the legal issues they present relate to the WSBA Amicus Curiae Policy, as required by § C.3.c of that policy. As their issues are not based on the reality of the case the Supreme Court has agreed to review, the Attorneys ask that the WSBA decline to support Appellants as Amicus Curiae in this matter.

Sincerely,



Pamela J. DeVet

Attachment
PJD/dm

cc: Phil Talmadge
Kevin Hochhalter

Kirsten Schimpff

From: Jeanne Marie Clavere
Sent: Friday, October 28, 2016 2:14 PM
To: Kirsten Schimpff
Cc: Darlene Neumann; Paris Eriksen; Mark Fucile
Subject: FW: CPE/Amicus Request in Arden v. Forsberg & Umlauf

Greetings Kirsten: As noted below, after discussion during the CPE meeting today, the CPE is providing the below comment to the Amicus Curiae Brief Committee.

Please let me know if you have any additional questions or comments.

Regards,

Jeanne Marie Clavere | Professional Responsibility Counsel | Office of General Counsel Washington State Bar Association | 206.727-8298 | F 206.727.8314 | jeannec@wsba.org
1325 Fourth Avenue #600 | Seattle, WA 98101-2539 | www.wsba.org

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-----Original Message-----

From: Mark Fucile [<mailto:mark@frllp.com>]
Sent: Friday, October 28, 2016 1:37 PM
To: Jeanne Marie Clavere
Cc: Darlene Neumann
Subject: CPE/Amicus Request in Arden v. Forsberg & Umlauf

Jeanne Marie,

The Committee on Professional Ethics at its regularly scheduled meeting today discussed the request for comment we received from the WSBA Amicus Committee on the request for amicus participation that the WSBA had received from the petitioners in Arden v. Forsberg & Umlauf.

The CPE did not believe that the particular issues involved in Arden warranted participation as an amicus by the WSBA.

I understand that you will pass this long to the Amicus Committee.

Please let me know if the Amicus Committee has any questions. If the Amicus Committee would like any additional details of today's CPE discussion, please feel free to have them contact me directly. I will generally be in my office on Monday and my direct office number is 503.224.4895.

Mark

Sent from my iPad



WSBA
 WASHINGTON STATE BAR ASSOCIATION
 AMICUS CURIAE BRIEF COMMITTEE

AMICUS CURIAE BRIEF POLICY

Approved by the Board of Governors 2/13/99; amended 6/3/05; 9/14/06

A. CRITERIA FOR WASHINGTON STATE BAR ASSOCIATION AMICUS CURIAE BRIEFS

The Washington State Bar Association (WSBA) Amicus Curiae program was established in 1998 when a ten member Amicus Curiae Committee was formed by the Board of Governors of the WSBA. The guidelines below address Committee consideration on the involvement of the WSBA as amicus curiae. The policy standards guide WSBA participation as amicus curiae. The following section addresses procedure for requesting participation of WSBA as amicus curiae.

B. AMICUS CURIAE POLICY

1. Independence. The WSBA will remain independent of the parties, including the party litigant who requests amicus curiae participation by the WSBA. Maintaining its independence will best serve the interest of the WSBA in furthering a credible and independent amicus curiae participation program that focuses on the values and principles of general application to the WSBA.
2. Authority. The Amicus Curiae Committee shall review all requests for amicus curiae participation by the WSBA, and provide a recommendation to the Board of Governors. The Board shall make the ultimate decision on whether the WSBA shall file an amicus curiae brief.
3. Area of Substantial Interest to the WSBA. Before the WSBA will participate as amicus curiae, the case must concern issues of substantial interest to the WSBA. Cases are considered to be in an area of substantial interest to the WSBA when issues in the case: (a) concern the independence or integrity of the judiciary or the bar; (b) concern the effectiveness or accessibility of the legal system; (c) concern the practice or business of law; (d) concern diversity or equality in the legal profession; or (e) are determined by 75% of the total membership of the governing body of a Section of the WSBA to be of substantial interest to the WSBA.
4. Necessity of Amicus Brief. The Amicus Curiae Committee will consider whether briefs already before the court provide the court with a complete picture of how the

particular issue and decision will impact the interests of the WSBA as set forth in this policy. The WSBA will generally decline to participate as amicus curiae where the issues of concern to the WSBA are already fully developed.

5. Brief Standards. The Amicus Curiae Committee shall ensure an amicus curiae brief filed by the WSBA is of high quality. The Committee may decline to file an amicus brief in cases where lack of time or other considerations may compromise the quality of the brief.
6. Request from Appellate Court. The WSBA will honor a request from an appellate court barring exceptional circumstances.
7. Costs. The recommendation to the Board of Governors will include the anticipated costs, if any, to the WSBA.

C. PROCEDURE FOR REQUESTING AMICUS BRIEF PARTICIPATION

1. The request shall be directed to the Amicus Brief Committee, Washington State Bar Association, 1325 4th Ave., Ste. 600., Seattle, WA 98101-2539 (or by e-mail to questions@wsba.org).
2. Unless there are exceptional circumstances, an amicus curiae request will not be granted for participation at the trial court level.
3. The requesting party shall provide the committee with the following information in its request:
 - a. A statement that sets forth specific legal issue(s) that the requesting party believes the WSBA should address;
 - b. A survey of significant cases that address the issue(s);
 - c. A statement explaining how the legal issue(s) relate to the WSBA Amicus Curiae Policy.
 - d. Whether time will be allowed for oral argument by the WSBA.
4. The requesting party shall provide copies of all appellate briefs filed in the case and, if requested by the Committee, the record on review.
5. The Amicus Curiae Committee will not make a recommendation to the Board of Governors before the requesting party has filed its initial appellate brief.

D. AMICUS COMMITTEE: INTERNAL PROCEDURES

1. Necessity of Request Complying With Procedures: A request for amicus curiae may not be considered from a private party if the requesting party fails substantially to comply with the published procedures for requesting amicus curiae assistance.
2. Notice: The Amicus Curiae committee will attempt to notify all parties of the receipt of the request prior to committee action, to the extent practicable. Notice shall be posted on the WSBA web site and may also be given to appropriate WSBA Sections and committees. The notice will invite comment on whether the request meets the

criteria set out in this policy and any deadline for comment, provided that the Amicus Curiae committee may make its recommendation to the Board of Governors prior to receipt of comment by parties or others.

3. Records Disclosure: All correspondence submitted to the Committee, including the original request, is subject to disclosure pursuant to WSBA Bylaws Article XIII.
4. Committee Action on Request: A properly presented request shall be acted upon at the earliest feasible date by a quorum of the Amicus Curiae committee. The chair, or his or her delegate, shall insure that as many members of the committee as are available shall be notified of the request and provided with appropriate materials to evaluate the issue of whether an affirmative recommendation shall be made to the WSBA Board. The committee may meet via telephone conferencing when necessary to expedite the process or for efficiency reasons.
5. Content of Recommendation: Upon obtaining a recommendation supported by a quorum of the committee, the chair of the committee shall cause a written recommendation to be prepared and presented to the WSBA Board of Governors. The recommendation shall include:
 - a. An affirmative or negative recommendation;
 - b. A brief statement of why the committee believes that an amicus curiae participation is warranted or should be declined;
 - c. A brief analysis of the issues raised by the case and a recommendation stating the position the committee believes should be taken by the WSBA;
 - d. A statement of costs associated with complying with the request and suggestions regarding appropriate individuals to author the brief;
 - e. Whether or not the Committee believes that the Association should present oral argument and whether the requesting party will surrender oral argument time in order to allow the Association's participation.
6. Emergency Procedure: Where the issues raised in an appeal have substantial impact on the members of the WSBA, the committee or the Board of Governors may recommend that the President of the bar along with the Association's Executive Director act upon an amicus curiae request. No request for participation shall be granted if either the Association or the Committee concludes that a quality brief cannot be obtained in the amount of time available.
7. Preparation and Signing of Brief. The Amicus Curiae committee will oversee and assist with the preparation and filing of the brief as necessary. Any amicus brief submitted to a court shall be signed by the author of the brief and by the President of the Washington State Bar Association or his or her designate.



WSBA

WASHINGTON STATE BAR ASSOCIATION

MEMO

TO: The President, President-elect, Immediate Past President and Board of Governors

FROM: Jean K. McElroy, General Counsel and Chief Regulatory Counsel

DATE: November 2, 2016

RE: **Suggested Amendments to the Rules for Enforcement of Limited Practice Officer Conduct (ELPOC) 15.5 and Repeal of Limited Practice Officer (LPO) Trust Account Regulations (Consent)**

Consent: Approve suggested amendments to Rules for Enforcement of Limited Practice Officer Conduct (ELPOC) 15.5 and recommend repeal of Limited Practice Officer (LPO) Trust Account Regulations as part of the Regulatory Coordination Project.

BACKGROUND

The WSBA is currently in the process of a regulatory coordination project to coordinate the administrative and regulatory functions related to the admission, license renewal and continuing education of lawyers, limited license legal technicians (LLLTs) and limited practice officers (LPOs). A part of this effort includes suggested amendments to the Admission and Practice Rules (APR) that were approved by the BOG at its September meeting and are now pending with the Court.

The attached suggested amendments to ELPOC 15.5 and the repeal of the LPO trust account regulations are necessitated by the suggested amendments for the coordination project. Accordingly, it would be very helpful for the coordination project if the attached suggested amendments can be forwarded as soon as possible to the Court so the Court can consider them in conjunction with and on a similar timeline to the pending suggested amendments to the APR.

Suggested Amendments to ELPOC 15.5

All three license types (lawyers, LLLTs and LPOs) are required to provide trust account information. The processes WSBA uses to collect this information can be standardized across the three license types in order to achieve greater efficiency. The suggested amendments to this

rule remove an audit for cause provision when an LPO fails to provide the annual trust account information and instead provide for suspension from practice for an LPO who does not comply with the trust account reporting requirements. The suggested changes are consistent with the lawyer and LLLT trust account rules.

Repeal of LPO Trust Account Regulations

The repeal of the LPO trust account regulations would remove requirements for LPO trust account reporting that are unduly burdensome and inconsistent with the requirements for other license types. In addition, they eliminate detailed auditing procedures that (1) are outdated, (2) have never been used in practice and (3) are based on lawyer trust account regulations that have since been repealed. Trust account auditing procedures will be addressed and consistent procedures adopted as part of the ongoing coordinated discipline project, and will be developed and ready for use by the time any suggested amendments to the APR are adopted and effective.

RECOMMENDATION:

Approve the attached suggested amendments for forwarding to the Supreme Court as soon as possible after such approval. Approve recommending the repeal of the LPO Trust Account Regulations

ATTACHMENTS:

1. Redline version ELPOC 15.5.
2. Clean version of ELPOC 15.5
3. Redline version of LPO Trust Account Regulations reflecting repeal of all regulations

SUGGESTED AMENDMENTS TO ELPOC 15.5

1 TITLE

2 RULES FOR THE ENFORCEMENT OF LIMITED PRACTICE OFFICER 3 CONDUCT (ELPOC)

4 ELPOC 15.5. DECLARATION

5 **(a) Declaration.** Each active LPO must file a trust account declaration as required by APR 12.

6 **(b) Noncompliance.** Failure to file the declaration may subject the an active LPO to a full
7 audit of his or her books and records, or the Closing Firm's records, as provided in rule 15.1(e),
8 upon request of the Clerk or disciplinary counsel to the discipline committee. A copy of any
9 request made under this section must be served on the LPO. The request must be granted on a
10 showing that the LPO has failed to comply with section (a) of this rule. If the LPO should later
11 comply, the discipline committee has discretion to determine whether an audit should be
12 conducted, and if so the scope of that audit. An LPO or Closing Firm audited under this section
13 is liable for all actual costs of conducting such audit, and also a charge of \$100 per day spent by
14 the auditor in conducting the audit and preparing an audit report. Costs and charges are
15 assessed in the same manner as costs under rule 5.3(e)suspension from practice pursuant to
16 APR 17.

SUGGESTED AMENDMENTS TO ELPOC 15.5

TITLE

RULES FOR THE ENFORCEMENT OF LIMITED PRACTICE OFFICER CONDUCT (ELPOC)

ELPOC 15.5. DECLARATION

(a) **Declaration.** Each active LPO must file a trust account declaration as required by APR 12.

(b) **Noncompliance.** Failure to file the declaration may subject an active LPO to suspension from practice pursuant to APR 17.

**SUGGESTED AMENDMENTS TO DISCIPLINARY REGULATIONS
APPLICABLE TO ELPOC TITLE 15**

TITLE

**RULES FOR THE ENFORCEMENT OF LIMITED PRACTICE OFFICER
CONDUCT (ELPOC)**

DISCIPLINARY REGULATIONS APPLICABLE TO ELPOC TITLE 15

REGULATION 101. DEFINITIONS

~~The definitions in ELPOC 1.3 apply to these Regulations. In addition, the following definitions shall apply:~~

~~(a) The "auditor" shall mean the person or accounting firm conducting the audits and examinations specified in ELPOC Title 15.~~

~~(b) "Examination" shall mean a review and testing by the audit of the internal controls and procedures by an LPO or Closing Firm to receive, hold, disburse and account for money and property in which the client or other person has an interest using generally accepted auditing standards, to the extent they apply, without, however, making outside confirmations. In order to conduct such review and testing, the auditor shall have access to all of the internal books and records kept by the LPO or Closing Firm which comprise the LPO's or Closing Firm's financial records showing financial transactions involving the receipt of client's funds for fees, costs, or other purposes, either from the client or third persons and all expenditures by the Closing Firm or LPO for clients or third persons and all distributions to the LPO or LPOs including but not necessarily limited to all journals, ledgers, books of accounts, canceled checks, deposit slips, bank statements, check registers, cash accounts, receipts, correspondence, records of accounts receivable, income and expense statements, balance sheets, tax returns of all types, federal, state, county, and city excepting, however, income tax returns.~~

~~(c) "Audit" shall encompass "examination" but in addition may include positive or negative confirmation from external sources.~~

REGULATION 102. PERSONS AUTHORIZED TO CONDUCT AUDITS

SUGGESTED AMENDMENTS TO DISCIPLINARY REGULATIONS APPLICABLE TO ELPOC TITLE 15

Audits shall be conducted by an auditor or auditor(s) provided by the Board.

REGULATION 103. EXAMINATION AND AUDIT REPORTS

(a) The auditor shall furnish a written report of each examination or audit to the Board.

(b) The report shall contain the date of the audit or examination, the name of the Closing Firm or LPO, and a statement of the scope of the examination or audit. In respect to each examination, it shall include a statement to the effect that either 1) as a result of the examination, an audit or further examination is indicated, or 2) during the course of the examination, the auditor has not observed anything which would indicate a need for further examination or audit at this time. In respect to each audit, the report shall state either 1) as a result of the audit, the auditor concludes that LPORPC 1.12A and B have not been complied with (stating the particulars), or 2) as a result of the audit, the auditor has not observed anything which would indicate LPORPC 1.12A and B have not been complied with. The auditor shall further state an opinion, as to whether the LPO or Closing Firm has cooperated as required by ELPOC 15.2, giving the particulars if lack of cooperation is claimed.

(c) Upon request by the Chair, the auditor shall make available the working papers in respect to particular examinations or audits, for review by the Board and shall consult with the Board in respect to particular examinations and audits.

(d) Upon conclusion of the examination or audit, the auditor shall make available to the LPO or Closing Firm a copy of the audit report.

(e) The auditor shall preserve inviolate all confidences and secrets of clients of the examined LPO or Closing Firm. No client name or information which would permit the identification of a particular client shall be revealed in the working papers or the report of the auditor, except that the name or names of clients who have filed complaints with the Board may be released.

(f) When the audit is concluded, if it is determined pursuant to Regulation 104 that no further investigation, examination or action is appropriate, the Board's copies of the audit report,

**SUGGESTED AMENDMENTS TO DISCIPLINARY REGULATIONS
APPLICABLE TO ELPOC TITLE 15**

~~working papers, or other materials relating to the audit shall be destroyed, except that the Board shall maintain a record showing the identity of any LPO or Closing Firm audited and the dates of the audit to ensure that the restrictions of Regulation 105 are complied with.~~

~~REGULATION 104. DETERMINATION THAT FURTHER EXAMINATION AND AUDIT
OR OTHER ACTIONS ARE WARRANTED~~

~~(a) The Chair or a delegate shall review all reports of the auditor. After such review and upon further investigation, which the Chair may direct, and after such consultation, if any, as the Chair deems appropriate with the Board, the Chair shall make such order in respect to further examination and audit as the Chair deems appropriate, consistent with .ELPOC 15.1 In addition, the Chair may order other actions by the LPO and Closing Firm as are necessary to ensure that the LPO's or Closing Firm's handling of client funds complies with the requirements of the LPORPC.~~

~~(b) Auditor's Opinions Advisory Only. The opinions expressed in the report of the Auditor shall be advisory only. They shall not in and of themselves constitute findings of fact in any disciplinary proceedings against any LPO unless so stipulated by the LPO or LPO's counsel.~~

~~REGULATION 105. METHOD OF SELECTION OF LPO AND CLOSING FIRMS TO BE
EXAMINED~~

~~(a) At such time and from time to time as the Board determines, random examination of LPOs or Closing Firms may be conducted. Procedures shall be established by the Board for the selection of the LPOs or Closing Firms to be examined which 1) will utilize the principle of random selection, and 2) will distribute the examinations among the congressional districts of the state substantially in the ratio that the number of LPOs in each district bears to the total number of active LPOs in the state. If the number drawn is that of an LPO who is an employee of a Closing Firm, the Closing Firm shall be examined. If the number is that of an active LPO who is an independent business owner, the active LPO's records shall be examined.~~

SUGGESTED AMENDMENTS TO DISCIPLINARY REGULATIONS APPLICABLE TO ELPOC TITLE 15

If the number is that of an LPO who, either as an individual or as a Closing Firm employee, has been audited in the twenty-four (24) months immediately preceding the drawing, the Chair may in the Chair's discretion excuse the LPO or Closing Firm from examination.

(b) Upon consent of an active LPO, the LPO's books and records or those of a Closing Firm may be examined even though the active LPO's number has not been selected randomly.

(c) The Chair may at all times upon the receipt of information that a particular LPO or Closing Firm may not be in compliance with LPORPC 1.12A and B authorize an examination.

REGULATION 106. CONTENTS OF LPO DECLARATION

Annually, the Board shall mail to each active LPO, a written declaration to be completed and delivered to the Board on or before July 1 of that year. The declaration shall be comprised of two parts. Part One shall be completed and signed by each active LPO. Part Two shall be completed and signed by the individual who manages the trust accounts(s) for the Closing Firm, on behalf of the Closing Firm and all LPOs employed in the Closing Firm. Parts One and Two each shall be separately signed and verified by the signer under penalty of perjury and shall require disclosure of the following information:

Part I—LPO Verification

1. — Name, current address and telephone number of the LPO.
2. — Whether the LPO is actively providing services authorized by APR 12(d).
3. — If the answer to (2) is no, whether the LPO is nonetheless engaged in any LPO activities which involves or might involve the handling of client's funds or property.
4. — Whether the LPO or Closing Firm maintains identifiable bank account(s) within the state for the deposit of funds of clients and third persons and a record keeping system to record funds, securities and other properties of clients and third persons coming into the LPO's or Closing Firm's possession (to be answered by all LPOs unless the answers to both (2) and (3) are "no").

**SUGGESTED AMENDMENTS TO DISCIPLINARY REGULATIONS
APPLICABLE TO ELPOC TITLE 15**

Part II—Account Information Verification

- ~~1. — The name of the bank(s) and branch(es) and account number(s) where the separate identifiable bank accounts are maintained as the depository (or depositories) for client funds.~~
- ~~2. — Whether the accounts identified in "1" above are maintained in the manner specified in LPORPC 1.12 A and B, and whether all clients' funds to the extent required by LPORPC 1.12 A and B, are kept therein.~~
- ~~3. — Whether all funds, securities, and other properties of clients coming into the LPO's or Closing Firm's possession are held in the manner specified in LPORPC 1.12A and B and whether records in respect thereto are maintained in the manner specified in LPORPC 1.12A and B.~~
- ~~4. — That the signatories acknowledge they are subject to examination and audit under ELPOC Title 15 and these regulations to verify compliance with LPORPC 1.12A and B.~~



WSBA

BOARD OF GOVERNORS

Angela M. Hayes
Governor, Fifth District

phone: 509.777.2671
e-mail: ahayes@aiin.com

ACTIVITY REPORT September 15, 2016 – November 2, 2016

LIAISON DUTIES:

October 5, 2016	Attend Washington Association of Disabled Attorneys (WADA) reception, WSBA office, Seattle (Liaison)
October 12, 2016	Liaison outreach; contact executive chairs re liaison assignments; send introductory letters to all sections/minority bar groups
October 17, 2016	Attend BOG Committee Chairs and Liaisons meeting at WSBA office, Seattle
October 18, 2016	Attend Elder Law Section executive committee meeting, telephonic

WSBA and BOG COMMITTEE MEETINGS:

September 15, 2016	Attend Personnel Committee meeting, telephonic
September 15, 2016	Attend Bylaws Workgroup meeting, telephonic
September 28-30	Attend BOG meeting, Seattle WA
September 29, 2016	Attend APEX Award Dinner, Seattle WA
October 5, 2016	Meet with Frances Dujon-Reynolds re Personnel Committee succession plan, WSBA Office, Seattle WA
October 12, 2016	Attend Budget and Audit Committee Meeting, telephonic
October 13, 2016	Attend Executive Committee meeting, telephonic
October 21, 2016	Attend Legislative Committee meeting, telephonic
October 31, 2016	Attend Legislative Committee Meeting, telephonic

SPECIALTY, COUNTY AND MINORITY BARS OUTREACH:

September 21, 2016	Attend Spokane County Bar Association meeting, Lukins & Annis, Spokane, WA
September 27, 2016	Attend Red Mass, Gonzaga University Law School, Spokane, WA
October 21, 2016	Attend Campaign for Equal Justice, Legal Foundation of Washington Reception, Spokane Club, Spokane, WA



Ann Danieli, *Governor, Seventh North District*
WASHINGTON STATE BAR ASSOCIATION
 3518 Fremont Avenue North, 299
 Seattle, WA 98103
 (206) 919-3667

**ACTIVITY REPORT
 OCTOBER-NOVEMBER 2016**

LIAISON DUTIES:

OCTOBER 21, 2016	COUNCIL ON PUBLIC DEFENSE BY PHONE 12-2:30
NOVEMBER 9, 2016	JUVENILE LAW SECTION CLE 12-5 PERKINS COIE

WSBA and BOG COMMITTEE MEETINGS:

OCTOBER 12, 2016	BUDGET & AUDIT COMMITTEE 12-5 BY PHONE
OCTOBER 13, 2016	BOG EXECUTIVE COMMITTEE BY PHONE 10-12PM BY PHONE
OCTOBER 27, 2016	NOMINATIONS COMMITTEE 4-5 WSBA
NOVEMBER 10, 2016	PERSONNEL COMMITTEE 10-12 WSBA
NOVEMBER 17, 2016	BOG-STAFF DINNER SEATTLE, WA 6-9
NOVEMBER 18, 2016	BOG MEETING 8-5 WSBA SEATTLE

SPECIALTY, COUNTY AND MINORITY BARS OUTREACH:

OCTOBER 26, 2016	QLAW FALLTACULAR SEATTLE 6-10PM
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WSBA

BOARD OF GOVERNORS

Athan P. Papailiou
Governor, At-Large

phone: 206.245.1700
e-mail: athan.papailiou@pacificallawgroup.com

ACTIVITY REPORT 10/8/16 – 11/10/16

LIAISON DUTIES:

10/11/16	Amicus Curiae Committee Meeting
11/1/16	Amicus Curiae Committee Meeting

WSBA and BOG COMMITTEE MEETINGS:

10/3/16	Access to Justice Board Orientation
10/12/16	Budget and Audit Committee
10/17/16	WSBA Committee Chair & Liaisons Meeting
10/21/16	BOG Legislative Committee Meeting
10/31/16	BOG Legislative Committee Meeting

SPECIALTY, COUNTY AND MINORITY BARS OUTREACH:

10/8/16	Legal Voice Auction Dinner
10/26/16	FallTacular Committee (QLaw Foundation)
11/10/16*	Lesbian, Gay, Bisexual, Transgender (LGBT) Law Section Annual Meeting
11/10/16*	Amazon Event

*Calendared



WSBA

BOARD OF GOVERNORS

Bradford E. Furlong
President-elect

phone: 360.336.6508
e-mail: bef@furlongbutler.com

ACTIVITY REPORT 10/01/16 – 10/31/16

LIAISON DUTIES:

10/04	Meet with Supreme Court
10/05	Whatcom County Bar lunch speaker
10/10	Skagit County Bar Dinner--Speaker

WSBA and BOG COMMITTEE MEETINGS:

10/13/16	Executive Committee Meeting
10/17/16	16-17 Committee Chair & Liaisons Meeting
10/21/16	Legislative Committee Meeting
10/27/16	Nomination Committee Meeting
10/31	Legislative Committee Meeting
11/01	Amicus Committee meeting

SPECIALTY, COUNTY AND MINORITY BARS OUTREACH:

10/27/16	Northwest Immigrant Rights Project (NWIRP) Annual Fall Reception
09/30	South Asian Bar Association of Washington (SABAW) Reception
10/14	Washington Women Lawyers (WWL) Dinner



James K. Doane
Governor, District 7-South

phone: 425.427.7194
e-mail: jamesdoane@mc.com

ACTIVITY REPORT
James K. Doane, District 7-South
September 22, 2016-October 28, 2016

LIAISON DUTIES:

Various	Correspondence with Animal Law, Business Law, Creditor Debtor Rights Section, Asian Bar Association of Washington, Northwest Indian Bar Association, Korean American Bar Association, and Governor Update to District
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WSBA and BOG COMMITTEE MEETINGS:

9/28/16	WSBA President Reception
9/29/16	Board of Governors Meeting
9/30/16	Board of Governors Meeting
10/7/16	MCLE Board
10/12/16	Budget and Audit Committee Meeting
10/27/16	BOG Nomination Committee Meeting

SPECIALTY, COUNTY AND MINORITY BARS OUTREACH:

9/22/16	WSBF Donor Engagement Meeting
10/5/16	Washington Attorneys with Disabilities Association (WADA) Reception
10/13/16	Vietnamese American Bar Association Banquet
10/21/16	Sponsor table at Asian Bar Association of Washington Gala
10/28/16	50-Year WSBA Member Tribute Lunch



Jill A. Karmy
Treasurer & Governor, Third District

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ACTIVITY REPORT

October 1, 2016 to November 18, 2016

LIAISON DUTIES:

10-3-16	Liaison email introduction to sections and minority bar associations
11-10-16	Corporate Law Section Meeting (via phone), <i>anticipated</i>
11-16-16	Senior Lawyers Section Meeting (via phone), <i>anticipated</i>

WSBA and BOG COMMITTEE MEETINGS:

10-4-16	Officers' Meeting with Supreme Court, Olympia
10-12-16	Budget & Audit Committee Meeting, Seattle
10-21-16	BOG Legislative Committee Meeting (via phone)
10-31-16	BOG Legislative Committee Meeting (via phone)
11-18-16	BOG Meeting, <i>anticipated</i>

SPECIALTY, COUNTY AND MINORITY BARS OUTREACH:

10-26-16	MAMAS Luncheon, Seattle
10-26-16	QLaw Falltacular, Seattle

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Keith M. Black
Governor, Sixth District

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ACTIVITY REPORT September 29, 2016 – November 18, 2016

LIAISON DUTIES:

10/09/16 – 10/20/16	Introductory letters to Boards: (1) Disciplinary Board; (2) Board of Bar Examiners
10/09/16 – 10/20/16	Introductory letters to Chairs of Sections: (1) Alternative Dispute Resolution Section; (2) Antitrust Consumer Protection and Unfair Business Practice Section; (3) Legal Assistance to Military Personnel Section
10/20/16	Introductory letter to President of Pierce County Minority Bar Association

WSBA and BOG COMMITTEE MEETINGS:

9/29/16 – 9/30/16	Attended all regular sessions of BOG's September Meetings, Seattle
10/21/16	Legislative Committee Meeting via Conference Call
11/10/16	Personnel Committee Meeting, Seattle
11/17/16 – 11/18/16	Will attend all regular sessions and functions of BOG November Meeting, Seattle

SPECIALTY, COUNTY AND MINORITY BARS OUTREACH:

10/01/16 – 11/18/16	Telephone conversations and exchanged email correspondence with Sixth District members regarding issues raised by BOG's work and actions taken at September BOG meeting
11/15/15	Attended Tacoma/Pierce County Bar Association Board of Trustees meeting, Tacoma



WSBA

BOARD OF GOVERNORS

G. Kim Risenmay
Governor, First District

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ACTIVITY REPORT September 1, 2016 – November 7, 2016

LIAISON DUTIES:

9/16/2016	Attend Access to Justice Board's executive committee meeting
9/16/2016	Attend Tax Section's executive committee meeting
10/3/2016	Prepare report to District 1 members on the results of September BOG meeting
10/14/2016	Attend Access to Justice Board meeting
10/17/2016	Attend WSBA Committee Chair and Liaison meeting
10/18/2016	Attend WSBA Limited Practice Committee meeting
11/4/2016	Attend Access to Justice Board meeting

WSBA and BOG COMMITTEE MEETINGS:

9/7/2016	Attend WSBA Investment Subcommittee meeting
9/7/2016	Attend WSBA Budget and Audit Committee meeting
9/9/2016	Attend WSBA Executive Committee meeting in Bellingham
9/23/2016	Review ACLU's memorandum in opposition to any religious practices at WSBA meetings
9/28/2016	Attend annual WSBA President's Reception
9/29-30/2016	Attend September 2016 BOG Meeting
10/12/2016	Attend WSBA Budget and Audit Committee meeting
10/13/2016	Make reservations to attend Western State Bar Conference
10/28/2016	Attend WSBA 50-Year Member Tribute luncheon

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10/31/2016	Attend Malpractice Insurance Workgroup meeting
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SPECIALTY, COUNTY AND MINORITY BARS OUTREACH:

9/9/2016	Meet with Whatcom County Bar Association's officers in Bellingham
10/4/2016	Attend Whatcom County Bar Association meeting
10/10/2016	Attend Skagit County Bar Association meeting and annual State of the Judiciary dinner

Working Together to Champion Justice

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WSBA

BOARD OF GOVERNORS

Mario M. Cava
Governor, At-Large (B)

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ACTIVITY REPORT November 1, 2016

WSBA Sections & Committees

2016.09.06	International Practice Section Executive Committee Meeting
2016.10.11	Amicus Brief Committee Meeting
2016.10.12	Editorial Advisory Committee Meeting

WSBA and BOG COMMITTEE MEETINGS:

2016.08.08	Bylaws Work Group Meeting
2016.08.15	BOG Legislative Committee Meeting
2016.08.23	BOG Special Meeting (Public Session by Teleconference)
2016.09.14	BOG Nominations Committee Meeting
2016.09.14	WSBA Town Hall (via Web Conference)
2016.09.15	Bylaws Work Group Meeting
2016.09.29	2016 WSBA APEX Awards Dinner
2016.09.29-30	September BOG Meeting
2016.10.21	BOG Legislative Committee Meeting
2016.10.31	BOG Legislative Committee Meeting

SPECIALTY, COUNTY AND MINORITY BARS OUTREACH:

2016.10.08	FLOW Barrio Fiesta & Awards Ceremony
2016.10.14	Washington Women Lawyers (WWL) Annual Banquet & Awards Ceremony
2016.10.21	Asian Bar Association of Washington Annual Banquet & Awards Ceremony

COMMENTS

1. Please see my At-Large Governor Reports, which are being provided via email as part of the regular diversity stakeholder updates.



Rajeev D. Majumdar
Governor, Second District

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ACTIVITY REPORT October 2016

LIAISON DUTIES:

10/3/16-10/5/16	Introductions/correspondence to South Asian Bar Association of Washington (SABAW), Middle Eastern Legal Association of Washington (MELAW), Health Law Section, and Washington Leadership Institute (WLI)
10/19/16	Telecon with Health Law Section President re: section needs and positions on bylaws changes
10/28/16	Telecon Health Law Section Meeting

WSBA and BOG COMMITTEE MEETINGS:

10/3/16	Meeting w/ Access to Justice (ATJ) Board Liaison and Diana Singleton in Seattle
10/12/16	Telecon Budget and Audit Committee Meeting

SPECIALTY, COUNTY AND MINORITY BARS OUTREACH:

10/5/16	Whatcom County Bar meeting
10/10/16	Skagit County Bar Association Annual State of the Judiciary Dinner
10/14/16	Washington Women Lawyers Annual Dinner & Awards Ceremony

Working Together to Champion Justice

999 Third Avenue, Suite 3000 / Seattle, WA 98104 / fax: 206.340.8856



Robin L. Haynes
President

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ACTIVITY REPORT September 14 – November 2, 2016

WSBA and BOG COMMITTEE MEETINGS:

09/14/16	WSBA Town Hall (Seattle)
09/15/16	Sections Workgroup (Seattle)
09/15/16	Personnel Committee (Seattle)
09/19/16	WSBA Legislative Committee Meeting (Seattle)
09/20/16	President's Call (Phone)
09/27/16	President's Call (Phone)
09/28/16	President's Reception (Seattle)
09/29-30/16	WSBA BOG Training and Meetings (Seattle)
09/29/16	Apex Awards Dinner and Swearing In (Seattle)
10/04/16	Supreme Court & WSBA Officers Meeting (Olympia)
10/11/16	WSBA All-Staff Meeting (Seattle)
10/12/16	Budget & Audit (Seattle)
10/13/16	Executive Committee Meeting (Seattle)
10/17/16	WSBA Committee Chairs & Liaisons Meeting (Seattle)
10/17/16	Legislative Comment Policy (Call)
10/21/16	BOG Legislative Committee (Call)
10/28/16	50-Year Member Tribute Luncheon (Seattle)
10/31/16	BOG Legislative Committee (Call)

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11/01/16	WSBA Amicus Committee Call (Phone)
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SPECIALTY, COUNTY, AND MINORITY BARS AND COMMUNITY OUTREACH:

09/16/16	Board for Judicial Administration (BJA) Meeting (Seattle)
09/20/16	Planned Parenthood Women's Leadership Event (Spokane)
09/21/16	Spokane Talks Online (Spokane)
09/21/16	Spokane Washington Women Lawyers (WWL) Monthly Networking (Spokane)
09/22/16	Human Rights Commission Race & Diversity Event (Gonzaga/Spokane)
09/23/16	MC for Spokane Volunteer Lawyers Program (VLP) Breakfast of Champions (Spokane)
10/13/16	Washington State Association for Justice (WSAJ) Board Meeting (Bellevue)
10/20/16	Open Sections' Night (Spokane)
10/26/16	Mother Attorneys Mentoring Association of Seattle (MAMAS) Annual Luncheon (Seattle)
10/26/16	QLaw Falltacular (Seattle)

OUTREACH TO STAKEHOLDERS AND MENTORING:

09/15/16	Spokane Fall Swearing In (Gonzaga/Spokane)
09/16/16	Spokane County Bar Association (SCBA) Fall Social (Spokane)
10/07/16	Gonzaga University School of Law Board of Advisors Meeting (Spokane)
10/11/16	Revelle/Access to Justice Meeting (Seattle)
10/13/16	Alison Grazzini Phelan Meeting (Seattle)
10/17/16	Meeting with Alternative Dispute Resolution (ADR) Section (Seattle)
10/29/16	Washington Leadership Institute (WLI) Board Retreat

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Sean M. Davis
Governor, At Large

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ACTIVITY REPORT
October 1, 2016 – November 4, 2016

LIAISON DUTIES:

10-1-16	New and Young Lawyers Committee Meeting
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WSBA and BOG COMMITTEE MEETINGS:

10-31-16	BOG Legislative Committee Meeting (via phone)
11-3-16	New and Young Lawyers Leadership Meeting (via phone)
11-4-16	WSBA Legislative Stakeholder Forum (via phone)

SPECIALTY, COUNTY AND MINORITY BARS OUTREACH:

11-1-16	Tacoma Pierce County Bar Association Young Lawyers Meeting
11-3-16	Loren Miller Bar Association Mentorship Mixer



WSBA

WASHINGTON STATE BAR ASSOCIATION

EXECUTIVE DIRECTOR'S REPORT

November 10, 2016

Kudos to ODC Investigator Vanessa Norman!

At its October 2016 conference, the Board of Directors of the Organization of Bar Investigators (OBI) named ODC Investigator III Vanessa Norman as the 2016 OBI Member of the Year. Vanessa, who has been an ODC investigator since 2004, serves as the Chair of OBI's Membership Committee and has been instrumental in developing the organization's membership directory. By way of background, the OBI was formed in 2003 as a forum for investigators to network, share information and build professional competencies. Since its inception, the organization has grown into an international association of more than 300 investigators providing mutual support to foster excellence in bar investigation techniques. *Congratulations, Vanessa!*

Diversity, Inclusion and Equity: Review of FY16

It's been 3 years since the WSBA Diversity and Inclusion Plan was adopted, setting forth two areas of focus: working to understand the lay of the land of the legal community and providing tools to members and employers in order to enhance the retention of minority lawyers in the community. Our 2012 survey provided insight on the professional experience of WSBA members who self-identify with under-represented groups. The survey examined predictors of career stability in an effort to identify factors necessary for job satisfaction and ultimately retention. Our 2015 research and the data collected through licensing reveal an important trend: while members from under-represented groups may not be leaving the profession at disparate rates, these members are experiencing segmentation within areas of practice and practice settings. We are now focused on examining this trend and identifying new areas of research to understand and respond to this emerging development through our external programming. This year we extended our reach to include Spokane and the Tri-cities. We are now engaging with members in 9 locations across the state. The community networking events have received consistent praise and participation from our members and the new Beyond the Dialogue community discussions feature tough, relevant topics such as "Women, Race and Age: Mitigating Bias and Misogyny in the Legal Profession." This year our Achieving Inclusion CLE webinar series has been integrated into the Legal Lunchbox program to increase our reach and efficacy. We also continue the great collaborative relationships we have with all three law schools on 1L programming and supporting new attorneys entering the profession.

Internal work continues with a focus on raising awareness among our employees and volunteers around bias, equity and inclusion. This year we offered training opportunities for employees on identity awareness and intersectionality and continued our Continuing the Conversation series, which provides a space for deeper dialogue. We also provided training and consultation for volunteers, sections, boards and committees and have seen an increased interest over the last year to explore strategies for increasing representation, participation and inclusion. Trainings have been built around tools such as the Diversity Dictionary, Culture of Inclusion, Implicit Association Test, and a variety of equity in decision-making tools. All of this work is aimed at building awareness and skills and normalizing dialog around equity and inclusion.

Another internal initiative this past year was to look at the overall accessibility of WSBA and the creation of an Accessibility Team to help us improve access for people with disabilities to our programs and services. We have continued our work around institutionalizing practices for maintaining the racial and gender diversity of our CLE faculty with the implementation of a faculty database to help us better manage the recruitment and selection of volunteer CLE faculty. Section leadership, for the second year in a row, was provided membership demographics as one of the key performance indicators, in order to provide a comparative lens across race, gender, disability and LGBT dimensions for each of our 28 sections' memberships.

Key performance indicator data related to retention in the overall membership is also currently being analyzed. Efforts are under way in this licensing season to institutionalize a system for ongoing collection of overall membership demographic data in order to increase the reporting sample size. This effort is also intended to provide a more consistent, streamlined mechanism for members reporting or updating voluntary demographic information. In the coming year we will be engaging with our stakeholders as we further refine our demographics collection processes.

Executive Director Activity Report (attached)

WSBA Demographics Report (attached)

Correspondence and Other Informational Items (attached)

Media Contacts Report (attached)

Update on Various Court Rules (attached)



WSBA

OFFICE OF THE EXECUTIVE DIRECTOR

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Executive Director

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ACTIVITY REPORT

October 1, 2016 – November 18, 2016

Current Service on Boards and Committees

Local: Board for Judicial Administration (BJA) Policy and Planning Committee; University of Washington School of Law Leadership Council, Executive Committee Member; University of Washington School of Law Public Interest Law Association Board of Advisors.

National: Institute for the Advancement of the American Legal System (IAALS) Board of Advisors.

International: International Institute of Law Association Chief Executives (IILACE), Secretary/Treasurer and Member of Program Committee.

Meetings with Other WSBA and External Constituents

New Lawyers and Law Students	12
Legal Community Leaders	2
Other	3

WSBA- and BOG-Related Meetings:

BOG Executive Committee Meeting	October 13
BOG Meeting in Seattle	November 18
BOG Officers' meeting with Supreme Court	October 4
BOG Personnel Committee Meeting	November 10
BOG President Weekly Calls	3
Limited License Legal Technician Program	4
Washington State Bar Foundation Board of Trustees Meeting	November 17
WSBA Budget & Audit Committee Meeting	October 12
Other	3

Staff-Related Meetings:

All-Manager Meeting	November 10
All-Staff Meeting	October 11

Coffees with New Staff	4
Eighth Floor Open House	October 11
Executive Management Team Meetings	4
Executive Management Team Retreat	October 10
Service Awards	October 13
Staff Advisory Forum for Employees (S.A.F.E.)	2
Weeklies with Staff Direct Reports	19
Other	3

National/International-Related Meetings:

Institute for the Advancement of the American Legal System (IAALS) Board of Advisors Orientation and Meeting	October 20
International Institute of Law Association Chief Executives (IILACE) Conference	October 26-29

Presentations

Presentation to Washington Young Lawyers Committee	October 1
Welcome to WSBA Committee Chairs	October 17
Presentation to Federation of Law Societies of Canada and Canadian Law School Deans	October 19
Welcome to Section Leaders Fall Meeting	November 7
Presentation to Disciplinary Board	November 7

WSBA Licensing Counts*

11/1/16 8:07:57 AM GMT-07:00

By Section **	All	Previous Year
Administrative Law	20	234
Alternative Dispute Resolution	16	388
Animal Law	14	109
Antitrust, Consumer Protection and Unfair Business Practice	14	211
Business Law	48	1,372
Civil Rights Law	14	140
Construction Law	21	519
Corporate Counsel	33	1,076
Creditor Debtor Rights	30	590
Criminal Law	21	506
Elder Law	35	692
Environmental and Land Use Law	28	854
Family Law	42	1,334
Health Law	22	388
Indian Law	17	328
Intellectual Property	28	967
International Practice	16	292
Juvenile Law	25	203
Labor and Employment Law	43	1,031
Legal Assistance to Military Personnel	14	104
Lesbian, Gay, Bisexual, Transgender (LGBT) Law	16	221
Litigation	28	1,236
Low Bono	21	120
Real Property Probate and Trust	81	2,362
Senior Lawyers	15	294
Solo and Small Practice	44	1,020
Taxation	28	649
World Peace Through Law	13	104

By District		
	All	Active
0	3,202	1,928
1	2,774	2,380
2	1,855	1,553
3	2,007	1,725
4	1,343	1,154
5	2,933	2,470
6	3,088	2,640
7N	5,112	4,476
7S	6,823	5,782
8	2,059	1,775
9	4,588	3,935
10	2,652	2,273
	38,436	32,091

Misc Counts ***		
All License Types		38,448
All WSBA Members		38,252
Active Members in Washington		25,874
Active Members in western Washington		22,070
Active Members in King County		14,719
Active Members in eastern Washington		3,215
New/Young Lawyers		7,432
MCLE Reporting Group 1		9,916
MCLE Reporting Group 2		11,486
MCLE Reporting Group 3		10,845
Member Type	In WA State	All
Active Attorney	25,874	32,091
Educational Purposes	2	2
Emeritus	96	103
Foreign Law Consultant	14	20
Honorary	318	362
House Counsel	153	156
Inactive Attorney	2,095	5,069
Indigent Representative	8	10
Judicial	605	627
Military	8	8

* Includes active, educational purposes, emeritus, house counsel, foreign law consultant, honorary, inactive, indigent representative, judicial, non-member emeritus, and military.

** The values in the All column are reset to zero at the beginning of the WSBA fiscal year (Oct 1). The Previous Year column is the total from the last day of the fiscal year (Sep 30). WSBA staff with complimentary membership are not included in the counts.

*** Per WSBA Bylaws 'Members' include active, emeritus, honorary, inactive and judicial license types.

By State and Province	
Alabama	22
Alaska	215
Alberta	10
Arizona	305
Arkansas	12
Armed Forces Americas	1
Armed Forces Europe, Middle Eas	22
Armed Forces Pacific	18
British Columbia	91
California	1,629
Colorado	230
Connecticut	52
Delaware	4
District of Columbia	332
Florida	231
Georgia	67
Guam	20
Hawaii	131
Idaho	410
Illinois	139
Indiana	32
Iowa	35
Kansas	27
Kentucky	20
Louisiana	47
Maine	11
Maryland	120
Massachusetts	84
Michigan	71
Minnesota	94
Mississippi	6
Missouri	58
Montana	150
Nebraska	19
Nevada	133
New Hampshire	12
New Jersey	64
New Mexico	61
New York	219
North Carolina	79
North Dakota	11
Northern Mariana Islands	5
Nova Scotia	1
Ohio	75
Oklahoma	25
Ontario	13
Oregon	2,615
Pennsylvania	76
Puerto Rico	4
Quebec	1
Rhode Island	12
Saskatchewan	1
South Carolina	26
South Dakota	8
Tennessee	45
Texas	307
Trust Territories	1
Utah	155
Vermont	15
Virginia	284
Virgin Islands	2
Washington	29,173
West Virginia	7
Wisconsin	39
Wyoming	24

By WA County	
Adams	14
Asotin	26
Benton	381
Chelan	233
Clackamas	1
Clallam	139
Clark	832
Columbia	7
Cook	1
Cowlitz	129
Denver	1
Douglas	22
Ferry	11
Franklin	55
Garfield	3
Grant	132
Grays Harbor	101
Island	128
Jefferson	90
King	16,378
Kitsap	715
Kittitas	77
Klickitat	31
Lewis	105
Lincoln	12
Mason	86
Mohave	1
Okanogan	99
Pacific	27
Pend Oreille	22
Pierce	2,193
San Juan	72
Skagit	260
Skamania	10
Snohomish	1,482
Spokane	1,865
Stevens	53
Thurston	1,529
Wahkiakum	9
Walla Walla	106
Whatcom	524
Whitman	76
Yakima	450

By Admit Yr	
1940	3
1941	2
1942	1
1944	1
1945	1
1946	2
1947	6
1948	9
1949	20
1950	18
1951	30
1952	29
1953	32
1954	30
1955	20
1956	44
1957	36
1958	44
1959	42
1960	33
1961	31
1962	36
1963	36
1964	46
1965	61
1966	71
1967	73
1968	109
1969	118
1970	130
1971	145
1972	219
1973	321
1974	309
1975	386
1976	462
1977	460
1978	509
1979	550
1980	564
1981	589
1982	563
1983	602
1984	694
1985	487
1986	751
1987	650
1988	612
1989	646
1990	789
1991	781
1992	773
1993	819
1994	832
1995	846
1996	776
1997	886
1998	824
1999	870
2000	882
2001	954
2002	1,031
2003	1,060
2004	1,078
2005	1,086
2006	1,127
2007	1,201
2008	1,114
2009	1,026
2010	1,108
2011	1,090
2012	1,134
2013	1,285
2014	1,432
2015	1,767
2016	1,229

By Years Licensed**	
Under 6	8,398
6 to 10	5,637
11 to 15	5,121
16 to 20	4,235
21 to 25	4,051
26 to 30	3,300
31 to 35	2,682
36 to 40	2,788
41 and Over	2,224
Total:	38,436

By Firm Size	
Solo	5,055
Solo in Shared Office or	1,428
Government/ Public Secto	4,143
In House Counsel	2,377
2-5 Lawyers in Firm	4,249
6-10 Lawyers in Firm	1,671
11-20 Lawyers in Firm	1,214
21-35 Lawyers in Firm	757
36-50 Lawyers in Firm	499
51-100 Lawyers in Firm	577
100+ Lawyers in Firm	1,863
Respondents	23,833
No Response	14,615
All License Types	38,448

By Practice Area	
Administrative/regulator	1,940
Agricultural	186
Animal Law	95
Antitrust	257
Appellate	1,365
Aviation	100
Banking	387
Bankruptcy	1,017
Business/ Commercial	4,527
Civil Litigation	4,620
Civil Rights	854
Collections	509
Communications	194
Constitutional	525
Construction	1,180
Consumer	655
Contracts	3,559
Corporate	2,990
Criminal	3,643
Debtor-creditor	886
Disability	598
Dispute Resolution	1,207
Education	401
Elder	833
Employment	2,439
Entertainment	280
Environmental	1,211
Estate Planning/ Probate	3,201
Family	2,670
Foreclosure	503
Forfeiture	54
General	2,710
Government	2,404
Guardianships	802
Health	814
Housing	231
Human Rights	266
Immigration & Naturaliza	876
Indian	524
Insurance	1,525
Intellectual Property	1,933
International	807
Judicial Officer	286
Juvenile	799
Labor	967
Landlord/ Tenant	1,139
Land Use	661
Legal Ethics	232
Legal Research & Writing	525
Legislation	319
Litigation	3,911
Lobbying	138
Malpractice	699
Maritime	240
Military	325
Municipal	830
Non-profit/tax Exempt	447
Not Actively Practicing	1,469
Oil, Gas & Energy	129
Patent/ Trademark/ Copyr	1,133
Personal Injury	3,029
Real Property	1,952
Real Property/ Land Use	2,137
Securities	697
Sports	138
Subrogation	39
Tax	1,200
Torts	1,847
Traffic Offenses	672
Workers' Compensation	643

By Languages Spoken	
Afrikaans	3
Akan /twi	4
Albanian	1
American Sign Lanqu	6
Amharic	12
Arabic	38
Armenian	5
Bengali	10
Bosnian	4
Bulgarian	12
Burmese	2
Cambodian	6
Cantonese	84
Cebuano	2
Chamorro	3
Croatian	16
Czech	6
Danish	16
Dari	1
Dutch	20
Egyptian	1
Farsi/persian	47
Fijian	1
Finnish	7
French	606
French Creole	1
Fukienese	1
Ga/kwa	1
German	387
Greek	25
Gujarati	11
Hebrew	33
Hindi	70
Hmong	1
Hungarian	10
Ibo	4
Ilocano	8
Indonesian	8
Italian	131
Japanese	184
Kannada/canases	1
Korean	194
Lao	6
Latvian	5
Lithuanian	3
Malay	2
Malayalam	6
Mandarin	269
Marathi	3
Mongolian	1
Navaio	1
Nepali	2
Norwegian	33
Oromo	3
Other	23
Persian	18
Polish	30
Portuguese	101
Punjabi	47
Romanian	12
Russian	199
Samoan	7
Serbian	14
Serbo-croatian	4
Sign Language	20
Sinhalese	1
Slovak	2
Spanish	1,491
Spanish Creole	6
Swahili	1
Swedish	47
Taaaloq	56
Taiwanese	11
Tamil	6
Telugu	3
Thai	13
Tigrinya	2
Tongva	1
Turkish	5
Ukrainian	33
Urdu	28
Vietnamese	75
Yoruba	5

By Ethnicity	
American Indian / Alaska Native	199
Asian	773
Black/African descent	488
Caucasian	20,020
Hispanic/Latina/o	480
Multi Racial	461
Other	191
Pacific Islander	36
Respondents	22,648
No Response	15,800
All License Types	38,448

By Gender	
FEMALE	9,306
MALE	14,559
Respondents	23,865
No Response	14,583
All License Types	38,448

By Disabled Status	
Y	404

By LGBT	
Y	457

By Age	All *	Active
21 to 30	2,103	2,038
31 to 40	8,854	8,028
41 to 50	9,188	7,808
51 to 60	8,441	7,005
61 to 70	7,556	5,880
71 to 80	1,743	1,203
Over 80	563	129
Total:	38,448	32,091

* Includes active, educational purposes, emeritus, house counsel, foreign law consultant, honorary, inactive, indigent representative, judicial, non-member emeritus, and military.

** Includes active, emeritus, house counsel, foreign law consultant, honorary, inactive, judicial, non-member emeritus, and military.

2016 – 2017

AMERICAN BAR ASSOCIATION

Center for Professional Responsibility Policy Implementation Committee

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Phone: (312) 988-5298

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John.Holtaway@americanbar.org

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September 29, 2016

Honorable Barbara A. Madsen
Chief Justice
Supreme Court of Washington
Temple of Justice
415 12th Avenue, SW (98504)
P.O. Box 40929
Olympia, WA 98504-0929

Re: Recent Amendment to Rule 8.4 of the ABA Model Rules of Professional Conduct

Dear Chief Justice Madsen:

We take this occasion to report to you the recent amendment of Rule 8.4 of the ABA Model Rules of Professional Conduct with the hope that your Court will undertake a review of the changes and consider integrating them into your state's rules of professional conduct. These revisions and additions were the culmination of two years of work by the ABA Standing Committee on Ethics and Professional Responsibility ("Ethics Committee").

http://www.americanbar.org/groups/professional_responsibility/publications/model_rules_of_professional_conduct/rule_8_4_misconduct.html

Amended Model Rule 8.4 contains new paragraph (g) that establishes a black letter rule prohibiting harassment and discrimination in the practice of law. It also contains three new Comments related to paragraph (g).

New paragraph (g) to Model Rule 8.4 is a reasonable, limited, and necessary addition to the Model Rules of Professional Conduct. It makes it clear that it is professional misconduct to engage in conduct that a lawyer knows or reasonably should know constitutes harassment or discrimination while engaged in conduct related to the practice of law. And as has already been shown in the jurisdictions that have such a rule, it will not impose an undue burden on lawyers. Conduct related to the practice of law includes representing clients; interacting with witnesses, coworkers, court personnel, lawyers and others while engaged in the practice of law; operating and managing a law firm or law practice; and participating in bar association, business or social activities in connection with the practice of law. Amended Model Rule 8.4 (g) does not prohibit speech, thought, association, or religious practice. The rule does not limit the ability of a lawyer to accept, decline or withdraw from a representation in accordance with current rules of professional conduct.

Twenty-five jurisdictions have adopted anti-discrimination or anti-harassment provisions in the black letter of their ethics rules. To properly address this issue, the

ABA adopted an anti-discrimination and anti-harassment provision in the black letter of the Model Rules. Studies on the perception of the public about the justice system and lawyers support the need for the amendment to Model Rule 8.4.

Adopted Revised Resolution 109 and its accompanying Report can be found at: http://www.americanbar.org/content/dam/aba/administrative/professional_responsibility/final_revised_resolution_and_report_109.authcheckdam.pdf

The Center for Professional Responsibility Policy Implementation Committee has created a Power Point Presentation to assist courts, rules committees, the legal profession, and the public to understand the amendments to Model Rule 8.4.

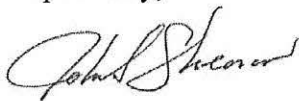
https://www.dropbox.com/s/6seu8x1i0m41116/Model%20Rules%208_4%20Presentation_Final.wmv?dl=0

We can provide you with electronic copies of Revised Resolution 109 with Report and discussion points if you or the Chair of your state review committee contact John Holtaway, Policy Implementation Counsel, john.holtaway@americanbar.org, (312) 988-5298. We have sent copies of this letter to your State Bar Association President, State Bar Association Executive Director, State Bar Admissions Director, and Chief Disciplinary Counsel, and ABA State Delegate.

The Center for Professional Responsibility Policy Implementation Committee is available to assist states with the review process. Members of the Committee, including members of the Ethics Committee, are available to meet in person or telephonically with review committees.

The work product of the Ethics Committee reflects the ABA's continued leadership in professional responsibility law. The ABA looks forward to assisting you on this important project.

Respectfully,



John S. Gleason, Chair
Center for Professional Responsibility Policy Implementation Committee



WSBA

OFFICE OF THE EXECUTIVE DIRECTOR

Paula C. Littlewood
Executive Director

direct line: 206-239-2120
fax: 206-727-8316
e-mail: paulal@wsba.org

October 3, 2016

Hon. Barbara Madsen
Chief Justice
Washington Supreme Court
Temple of Justice
P.O. Box 40929
Olympia, WA 98504-0929

Hon. Charles Johnson
Associate Chief Justice
Washington Supreme Court
Temple of Justice
P.O. Box 40929
Olympia, WA 98504-0929

Re: Suggested changes to ELC

Dear Justices Madsen and Johnson,

Enclosed are materials regarding suggested amendments to the Rules for Enforcement of Lawyer Conduct (ELC) for consideration by the Supreme Court Rules Committee. The WSBA Board of Governors reviewed and approved these suggested amendments at its July 2016 meeting for submission to the Court. These suggested amendments are intended to correct typographical and other clerical errors, improve internal rules-based processes in light of ongoing experience in the discipline system, or clarify ambiguities in the rules where appropriate disciplinary procedures are unclear or inconsistent. Expedited consideration has not been requested.

If I can answer any questions or provide any additional information regarding the proposed changes, please do not hesitate to contact me.

Sincerely,

Paula C. Littlewood
Executive Director

Enclosures: GR 9 cover sheet
Redline version of proposed ELC
Clean version of proposed ELC

cc: Shannon Hinchcliffe, AOC Legal Services & Appellate Court Support Manager
Doug Ende, WSBA Chief Disciplinary Counsel



Internet Email: opd@opd.wa.gov

**WASHINGTON STATE
OFFICE OF PUBLIC DEFENSE**

(360) 586-3164
FAX (360) 586-8165

October 7, 2016

Paula Littlewood
Washington State Bar Association Executive Director
1325 Fourth Ave, Suite 600
Seattle, WA 98101
paulal@wsba.org

RE: Juvenile Public Defense Grant

Dear ~~Ms. Littlewood~~: *Paula*

Thank you for endorsing the Office of Public Defense's (OPD) application for federal grant funds to implement a juvenile public defense strategic plan. More than 25 organizations and individuals submitted letters backing OPD's proposal to improve defense representation for children and youth in Washington, and I very much appreciate the support.

Unfortunately, as you already may have heard, OPD did not receive the requested grant. Although reviewers complimented Washington's plan in many respects, one critique was that the proposed activities were overly ambitious.

While it is disappointing to not receive federal funding that would have ensured immediate and robust implementation of the strategic plan, OPD is committed to moving forward on certain aspects that the agency can implement with existing resources. This includes providing on-call technical assistance for attorneys representing juvenile clients and continuing to host CLEs on juvenile issues. OPD recently has produced six instructional web videos focused on collateral consequences and youth re-entry, and these and other resources will be available on the OPD web site soon. Longer term, OPD will continue exploring ways to implement the plan's more costly systemic reforms, such as a periodic juvenile defense training academy.

Again, thank you for your support. Please feel free to call me with any questions or suggestions you might have.

Best regards,

Joanne Moore
Director



WSBA

OFFICE OF THE EXECUTIVE DIRECTOR

Paula C. Littlewood
Executive Director

direct line: 206-239-2120
fax: 206-727-8316
e-mail: paulal@wsba.org

October 12, 2016

Hon. Barbara Madsen
Chief Justice
Washington Supreme Court
Temple of Justice
P.O. Box 40929
Olympia, WA 98504-0929

Hon. Charles Johnson
Associate Chief Justice
Washington Supreme Court
Temple of Justice
P.O. Box 40929
Olympia, WA 98504-0929

Re: Suggested amendments to GR 12

Dear Justices Madsen and Johnson,

Enclosed are materials regarding suggested amendments to General Rule (GR) 12 for consideration by the Supreme Court Rules Committee. At its September 2016 meeting, the WSBA Board of Governors reviewed and approved these suggested amendments for submission to the Court. These suggested amendments are intended to include a comprehensive statement of the Court's authority to regulate the practice of law, to conform GR 12 with September 2016 amendments to the WSBA Bylaws related to the Governance Task Force Report, and to incorporate the American Bar Association's Model Regulatory Objectives into Washington's court rules.

During the October 4, 2016, meeting between the WSBA Officers and the Supreme Court, a question came up about the meaning of suggested GR 12.1(I), the regulatory objective that includes the provision "Accessible civil remedies for negligence and breach of other duties owed" A possible modification to clarify that language might be to add "by legal services providers" after "owed." Please note that we have submitted the suggested amendments as approved by the Board of Governors. If the Court revises GR 12.1(I) for publication, we would welcome the opportunity to make any needed changes to the GR 9 Cover Sheet's purpose statement.

If I can answer any questions or provide any additional information regarding the proposed changes, please don't hesitate to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read "Paula C. Littlewood". The signature is fluid and cursive, with the first name "Paula" being more prominent and the last name "Littlewood" following in a similar style.

Paula C. Littlewood
Executive Director

Enclosures: GR 9 cover sheet (with supporting materials)
Redline version of proposed GR 12
Clean version of proposed GR 12

cc: Shannon Hinchcliffe, AOC Legal Services & Appellate Court Support Manager
Robin L. Haynes, WSBA President
Jean K. McElroy, WSBA General Counsel/Chief Regulatory Counsel
Douglas J. Ende, WSBA Chief Disciplinary Counsel



WSBA

October 21, 2016

Hon. Barbara Madsen
Chief Justice
Washington Supreme Court
Temple of Justice
P.O. Box 40929
Olympia, WA 98504-0929

Hon. Charles Johnson
Associate Chief Justice
Washington Supreme Court
Temple of Justice
P.O. Box 40929
Olympia, WA 98504-0929

Re: Suggested Amendments to CR 11

Chief Justice Madsen and Justice Johnson,

We have been informed that suggested amendments to CR 11, proposed by WSBA member Ruth Edlund, have been sent to the Court for review. The suggested amendments would add Limited License Legal Technicians (LLLTs) to the provisions of CR 11.

From a preliminary look at the suggested amendments, it appears that if they were adopted, they would create a conflict between existing APR 28 G(5) and CR 11(b). Because of this potential for a conflict between rules, and because the LLLT Board has not had an opportunity to thoroughly review this proposal and consider this important issue, the LLLT Board and the WSBA request that the suggested amendments to CR 11 be referred to the LLLT Board for consideration.

Thank you for your consideration of this request. Don't hesitate to contact us if you have any questions.

Sincerely,

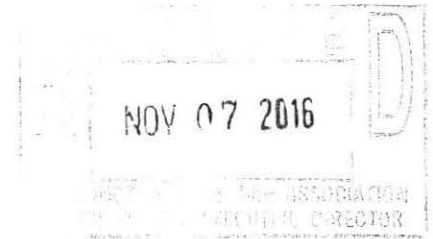
Paula C. Littlewood
WSBA Executive Director

Stephen R. Crossland
LLLT Board Chair



October 31, 2017

President Bradford E. Furlong
Washington State Bar Association
1325 Fourth Ave., Ste. 600
Seattle, WA 98101-2539



President
James J. Sandman

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Chicago, IL
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Laurie Mikva
Chicago, IL

Fr. Pius Pietrzyk, OP
Zanesville, OH

Julie A. Reiskin
Denver, CO

Gloria Valencia-Weber
Albuquerque, NM

Dear President Furlong:

The Legal Services Corporation (LSC) is pleased to announce its intention to award grants and contracts to provide effective and economical delivery of high quality civil legal services to eligible low-income individuals in your state. Grants will be awarded in January 2017.

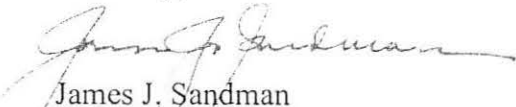
As part of LSC's FY 2017 grants process, a Request for Proposals (RFP) to deliver civil legal services in designated service areas was announced in the Federal Register on March 24, 2016 (81 FR 15754). This RFP was also announced in newspapers, bar journals, and on the Internet. In addition, in accordance with LSC's multi-year funding policy, recipients of 2-year or 3-year grants that began in calendar years 2015 or 2016 are required to file grant renewal applications to receive funding for calendar year 2017 grants.

LSC has received applications pursuant to the RFP or the grant renewal process for the provision of civil legal services to eligible low-income individuals in your state or jurisdiction. A listing of all potential recipients, by state and jurisdiction, is attached.

We are providing thirty days to give interested parties an opportunity to comment on the proposed grant. The Notice of Intent to award grants will be published in the Federal Register on or around November 1, 2016.

Please contact Reginald Haley, of LSC's Office of Program Performance, at 202.295.1545, or by e-mail at haley@lsc.gov if you have any questions about this matter.

Sincerely,


James J. Sandman
President

Attachment

Name of Applicant Organization	State	Service Area	Estimated Annualized 2017 Funding
Alaska Legal Services Corporation	AK	AK-1	\$741,073
Alaska Legal Services Corporation	AK	NAK-1	\$556,121
Legal Services Alabama	AL	AL-4	\$6,123,393
Legal Aid of Arkansas	AR	AR-6	\$1,469,531
Center for Arkansas Legal Services	AR	AR-7	\$2,134,386
American Samoa Legal Aid	AS	AS-1	\$216,951
DNA-Peoples Legal Services	AZ	AZ-2	\$426,023
Community Legal Services	AZ	AZ-3	\$5,431,956
Southern Arizona Legal Aid	AZ	AZ-5	\$2,141,137
Community Legal Services	AZ	MAZ	\$178,985
DNA-Peoples Legal Services	AZ	NAZ-5	\$2,683,310
Southern Arizona Legal Aid	AZ	NAZ-6	\$655,456
California Indian Legal Services	CA	CA-1	\$20,117
Greater Bakersfield Legal Assistance	CA	CA-2	\$1,144,116
Inland Counties Legal Services	CA	CA-12	\$5,277,785
Legal Aid Society of San Diego	CA	CA-14	\$2,989,977
Legal Aid Society of Orange County	CA	CA-19	\$3,854,358
Central California Legal Services	CA	CA-26	\$3,228,962
Legal Services of Northern California	CA	CA-27	\$3,876,782
Bay Area Legal Aid	CA	CA-28	\$4,122,146
Legal Aid Foundation of Los Angeles	CA	CA-29	\$6,155,682
Neighborhood Legal Services of Los Angeles County	CA	CA-30	\$4,383,963
California Rural Legal Assistance	CA	CA-31	\$5,018,808
California Rural Legal Assistance	CA	MCA	\$2,617,000
California Indian Legal Services	CA	NCA-1	\$908,493
Colorado Legal Services	CO	CO-6	\$4,121,449
Colorado Legal Services	CO	MCO	\$180,774
Colorado Legal Services	CO	NCO-1	\$98,754
Statewide Legal Services of Connecticut	CT	CT-1	\$2,519,312
Pine Tree Legal Assistance	CT	NCT-1	\$16,099
Neighborhood Legal Services Program of DC	DC	DC-1	\$754,782
Legal Services Corporation of Delaware	DE	DE-1	\$754,969
Legal Aid Bureau	DE	MDE	\$19,218
Legal Services of Greater Miami	FL	FL-5	\$3,569,324
Legal Services of North Florida	FL	FL-13	\$1,435,752
Three Rivers Legal Services	FL	FL-14	\$2,137,273
Community Legal Services of Mid-Florida	FL	FL-15	\$4,640,897
Bay Area Legal Services	FL	FL-16	\$3,398,986
Florida Rural Legal Services	FL	FL-17	\$3,902,016
Coast to Coast Legal Aid of South Florida	FL	FL-18	\$2,089,796

Name of Applicant Organization	State	Service Area	Estimated Annualized 2017 Funding
Florida Rural Legal Services	FL	MFL	\$730,538
Atlanta Legal Aid Society	GA	GA-1	\$3,796,481
Georgia Legal Services Program	GA	GA-2	\$8,131,242
Georgia Legal Services Program	GA	MGA	\$335,199
Guam Legal Services Corporation	GU	GU-1	\$244,499
Legal Aid Society of Hawaii	HI	HI-1	\$1,284,668
Legal Aid Society of Hawaii	HI	NHI-1	\$235,552
Iowa Legal Aid	IA	IA-3	\$2,327,206
Iowa Legal Aid	IA	MIA	\$181,450
Idaho Legal Aid Services	ID	ID-1	\$1,403,078
Idaho Legal Aid Services	ID	MID	\$220,047
Idaho Legal Aid Services	ID	NID-1	\$66,807
Land of Lincoln Legal Assistance Foundation	IL	IL-3	\$2,547,340
Legal Assistance Foundation	IL	IL-6	\$5,866,002
Prairie State Legal Services	IL	IL-7	\$3,641,385
Legal Assistance Foundation	IL	MIL	\$252,971
Indiana Legal Services	IN	IN-5	\$6,494,476
Indiana Legal Services	IN	MIN	\$150,120
Kansas Legal Services	KS	KS-1	\$2,610,245
Legal Aid Society	KY	KY-2	\$1,271,594
Appalachian Research and Defense Fund of Kentucky	KY	KY-5	\$1,613,022
Kentucky Legal Aid	KY	KY-9	\$1,118,558
Legal Aid of the Bluegrass	KY	KY-10	\$1,459,451
Acadiana Legal Service Corporation	LA	LA-10	\$1,474,467
Acadiana Legal Service Corporation	LA	LA-11	\$1,551,192
Legal Services of North Louisiana	LA	LA-11	\$1,551,192
Pine Region Legal Aid	LA	LA-11	\$1,551,192
Southeast Louisiana Legal Services Corporation	LA	LA-13	\$3,000,372
Community Legal Aid	MA	MA-10	\$1,469,369
Volunteer Lawyers Project of the Boston Bar Assoc.	MA	MA-11	\$2,013,002
South Coastal Counties Legal Services	MA	MA-12	\$841,595
Northeast Legal Aid	MA	MA-4	\$803,653
Legal Aid Bureau	MD	MD-1	\$3,951,576
Legal Aid Bureau	MD	MMD	\$71,248
Pine Tree Legal Assistance	ME	ME-1	\$1,170,642
Pine Tree Legal Assistance	ME	MMX-1	\$190,835
Pine Tree Legal Assistance	ME	NME-1	\$66,279
Michigan Advocacy Program	MI	MI-12	\$1,512,391
Legal Services of Northern Michigan	MI	MI-9	\$785,785
Lakeshore Legal Aid	MI	MI-13	\$4,196,162
Legal Services of Eastern Michigan	MI	MI-14	\$1,552,347

Name of Applicant Organization	State	Service Area	Estimated Annualized 2017 Funding
Legal Aid of Western Michigan	MI	MI-15	\$2,186,083
Michigan Advocacy Program	MI	MMI	\$467,389
Michigan Indian Legal Services	MI	NMI-1	\$169,276
Southern Minnesota Regional Legal Services	MN	MMN	\$242,661
Legal Aid Service of Northeastern Minnesota	MN	MN-1	\$441,546
Legal Services of Northwest Minnesota Corporation	MN	MN-4	\$317,581
Southern Minnesota Regional Legal Services	MN	MN-5	\$1,544,668
Central Minnesota Legal Services	MN	MN-6	\$1,623,247
Anishinabe Legal Services	MN	NMN-1	\$245,745
Legal Aid of Western Missouri	MO	MMO	\$138,747
Legal Aid of Western Missouri	MO	MO-3	\$1,931,134
Legal Services of Eastern Missouri	MO	MO-4	\$1,911,602
Mid-Missouri Legal Services Corporation	MO	MO-5	\$447,967
Legal Services of Southern Missouri	MO	MO-7	\$1,767,761
Micronesian Legal Services	MP	MP-1	\$1,226,169
North Mississippi Rural Legal Services	MS	MS-9	\$1,605,360
Mississippi Center for Legal Services	MS	MS-10	\$2,548,651
Mississippi Center for Legal Services	MS	NMS-1	\$85,478
Montana Legal Services Association	MT	MMT	\$80,800
Montana Legal Services Association	MT	MT-1	\$969,239
Montana Legal Services Association	MT	NMT-1	\$163,734
Legal Aid of North Carolina	NC	MNC	\$463,965
Legal Aid of North Carolina	NC	NC-5	\$10,917,178
Legal Aid of North Carolina	NC	NNC-1	\$224,422
Legal Services of North Dakota	ND	MND	\$118,864
Southern Minnesota Regional Legal Services	ND	MND	\$118,864
Legal Services of North Dakota	ND	ND-3	\$442,219
Legal Services of North Dakota	ND	NND-3	\$276,997
Legal Aid of Nebraska	NE	MNE	\$132,695
Legal Aid of Nebraska	NE	NE-4	\$1,417,656
Legal Aid of Nebraska	NE	NNE-1	\$33,990
Legal Advice & Referral Center	NH	NH-1	\$787,447
South Jersey Legal Services	NJ	MNJ	\$96,706
Essex-Newark Legal Services Project	NJ	NJ-8	\$875,601
South Jersey Legal Services	NJ	NJ-12	\$814,019
Legal Services of Northwest Jersey	NJ	NJ-15	\$403,334
South Jersey Legal Services	NJ	NJ-16	\$1,419,547
Central Jersey Legal Services	NJ	NJ-17	\$1,136,456
Northeast New Jersey Legal Services Corporation	NJ	NJ-18	\$1,889,964
New Mexico Legal Aid	NM	MNM	\$92,653
DNA-Peoples Legal Services	NM	NM-1	\$176,958

Name of Applicant Organization	State	Service Area	Estimated Annualized 2017 Funding
New Mexico Legal Aid	NM	NM-5	\$2,705,152
DNA-Peoples Legal Services	NM	NNM-2	\$23,363
New Mexico Legal Aid	NM	NNM-4	\$477,790
Nevada Legal Services	NV	NNV-1	\$136,737
Nevada Legal Services	NV	NV-1	\$2,910,481
Legal Aid Society of Mid-New York	NY	MNY	\$263,649
Nassau/Suffolk Law Services Committee	NY	NY-7	\$1,320,389
Legal Services NYC	NY	NY-9	\$11,755,163
Legal Services of the Hudson Valley	NY	NY-20	\$1,750,874
Legal Aid Society of Northeastern New York	NY	NY-21	\$1,273,393
Legal Aid Society of Mid-New York	NY	NY-22	\$1,640,207
Legal Assistance of Western New York	NY	NY-23	\$1,665,332
Neighborhood Legal Services	NY	NY-24	\$1,221,550
Legal Aid of Western Ohio	OH	MOH	\$176,957
Legal Aid Society of Greater Cincinnati	OH	OH-18	\$1,626,720
Community Legal Aid Services	OH	OH-20	\$1,787,044
The Legal Aid Society of Cleveland	OH	OH-21	\$2,224,913
Legal Aid of Western Ohio	OH	OH-23	\$2,991,786
Ohio State Legal Services	OH	OH-24	\$3,372,394
Legal Aid Services of Oklahoma	OK	MOK	\$101,305
Oklahoma Indian Legal Services	OK	NOK-1	\$841,963
Legal Aid Services of Oklahoma	OK	OK-3	\$4,153,550
Legal Aid Services of Oregon	OR	MOR	\$507,357
Legal Aid Services of Oregon	OR	NOR-1	\$189,825
Legal Aid Services of Oregon	OR	OR-6	\$3,888,067
Philadelphia Legal Assistance Center	PA	MPA	\$173,957
Philadelphia Legal Assistance Center	PA	PA-1	\$2,650,840
Laurel Legal Services	PA	PA-5	\$591,589
Neighborhood Legal Services Association	PA	PA-8	\$1,369,708
Southwestern Pennsylvania Legal Services	PA	PA-11	\$414,954
Legal Aid of Southeastern Pennsylvania	PA	PA-23	\$1,306,338
North Penn Legal Services	PA	PA-24	\$1,880,615
MidPenn Legal Services	PA	PA-25	\$2,433,673
Northwestern Legal Services	PA	PA-26	\$651,714
Puerto Rico Legal Services	PR	MPR	\$175,940
Puerto Rico Legal Services	PR	PR-1	\$10,663,785
Community Law Office	PR	PR-2	\$239,716
Rhode Island Legal Services	RI	RI-1	\$989,001
South Carolina Legal Services	SC	MSC	\$165,865
South Carolina Legal Services	SC	SC-8	\$5,589,620
Dakota Plains Legal Services	SD	NSD-1	\$960,128

Name of Applicant Organization	State	Service Area	Estimated Annualized 2017 Funding
East River Legal Services	SD	SD-2	\$396,301
Dakota Plains Legal Services	SD	SD-4	\$400,598
Memphis Area Legal Services	TN	TN-4	\$1,559,629
West Tennessee Legal Services	TN	TN-7	\$700,533
Legal Aid of East Tennessee	TN	TN-9	\$2,508,380
Legal Aid Society of Middle TN and the Cumberlands	TN	TN-10	\$3,121,680
Texas RioGrande Legal Aid	TX	MSX-2	\$1,672,296
Texas RioGrande Legal Aid	TX	NTX-1	\$32,183
Lone Star Legal Aid	TX	TX-13	\$10,278,664
Legal Aid of NorthWest Texas	TX	TX-14	\$8,923,293
Texas RioGrande Legal Aid	TX	TX-15	\$10,565,783
Utah Legal Services	UT	MUT	\$73,289
Utah Legal Services	UT	NUT-1	\$84,598
Utah Legal Services	UT	UT-1	\$2,244,974
Central Virginia Legal Aid Society	VA	MVA	\$158,585
Southwest Virginia Legal Aid Society	VA	VA-15	\$711,526
Legal Aid Society of Eastern Virginia	VA	VA-16	\$1,291,796
Virginia Legal Aid Society	VA	VA-17	\$895,898
Central Virginia Legal Aid Society	VA	VA-18	\$1,186,352
Blue Ridge Legal Services	VA	VA-19	\$791,317
Legal Services of Northern Virginia	VA	VA-20	\$1,467,087
Legal Services of the Virgin Islands	VI	VI-1	\$161,119
Legal Services Law Line of Vermont	VT	VT-1	\$479,249
Northwest Justice Project	WA	MWA	\$667,471
Northwest Justice Project	WA	NWA-1	\$292,929
Northwest Justice Project	WA	WA-1	\$5,563,807
Legal Action of Wisconsin	WI	MWI	\$212,421
Wisconsin Judicare	WI	NWI-1	\$159,512
Wisconsin Judicare	WI	WI-2	\$918,107
Legal Action of Wisconsin	WI	WI-5	\$3,904,788
Legal Aid of West Virginia	WV	WV-5	\$2,235,497
Legal Aid of Wyoming	WY	NWY-1	\$177,694
Legal Aid of Wyoming	WY	WY-4	\$434,973



Debra Carnes
Chief Communications Officer

206-733-5930
debrac@wsba.org

Summary of Media Contacts

10/1 – 11/4, 2016

1.	10/13/16	Jeff Mordock, <i>The News Journal</i> , New Castle, DE	Reporter looking into a case of a Washington licensed attorney who is now deceased.
2.	10/14/16	Allison Arthur, <i>Pt. Townsend Leader</i>	Covering a story on a building owner that is an attorney on suspended status since 2003. Seeking more information on his suspension.
3.	10/14/16	Joshua Sisco, <i>MLex Market Insight</i> , San Francisco, CA	Seeking information and the agenda on the upcoming Antitrust CLE which he has covered the past two years.
4.	10/19/16	Stephanie Ward, <i>ABA Journal</i>	Inquiring if Washington breaks down bar exam pass rates by law school.
5.	10/24/14	Donald Meyers, <i>Yakima Herald-Republic</i>	Seeking public documents on Cecelia Cervantes who Resigned in Lieu of Discipline on 9/23/16
6.	10/19/16	Katie Dunn, <i>Statesman Examiner</i> , Colville	Seeking public documents on the suspension of attorney Chris Montgomery.
7.	10/19/16	Devin Higgins, <i>ifiber.tv</i> , Ephrata	Seeking public documents on Cecelia Cervantes' Resignation in Lieu of Discipline.



WSBA

OFFICE OF THE GENERAL COUNSEL

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To: The President, President-elect, Immediate Past-President, and Board of Governors
From: Kevin Bank, Assistant General Counsel
Date: November 8, 2016
Re: Court Rules Update

This is the regular report on the status of suggested court rules submitted by the Board of Governors and other entities to the Supreme Court. Any changes from the last report are indicated in ***bold, shaded italicized text***.

SUGGESTED RULE AMENDMENTS SUBMITTED BY WSBA TO SUPREME COURT			
RULE	SUBJECT	BOG ACTION	COURT ACTION
CrRLJ 2.1	Remove provisions allowing for citizen complaints	Approved for submission to the Court at BOG's September 2014 meeting.	10/23/14: No Court action yet; the proposed rule change was submitted to the Court by WSBA via letter dated 10/02/14. 11/6/14: The Court entered an order to publish the proposed amendments for comment, with comments to be submitted no later than April 30, 2015.

SUGGESTED RULE AMENDMENTS SUBMITTED BY WSBA TO SUPREME COURT

RULE	SUBJECT	BOG ACTION	COURT ACTION
Proposed Amendments to Lawyer Rules of Professional Conduct – various suggested by LLLT Board	Proposed Amendments to Rules of Professional Conduct RPC 1.0B – Terms, and New Comments to RPC 1.5, RPC 1.8 – Conflict of Interest, RPC 1.10 – Imputation of Conflicts of Interest: General Rule, RPC 1.15A(h)(9) – Safeguarding Property, RPC 1.17 – Sale of Law Practice, Title 3 – Advocate, Title 4 – Transactions with Persons Other Than Clients, RPC 5.8 – Misconduct Involving Disbarred, Suspended, Resigned, and Inactive Lawyers, New RPC 5.9 and 5.10 – Lawyers Associated in a Law Firm with LLLTs, Title 7 – Information about Legal Services and Title 8 – Maintaining the Integrity of the Profession.	11/14/2014: Approved submission to Court.	3/24/2015: Court adopted rules effective 4/14/2015. Court also ordered WSBA to solicit and gather feedback on these rules and provide it to the court by 1/14/2016.
APR 28 Regulation 4	<i>Proposed amendments to APR 28 Regulation 4 – Limited Practice Rule for Limited License Legal Technicians –Limited Time Waivers.</i>	<i>7/2016: Submitted as information only.</i>	<i>11/2/16: The Court adopted the rule.</i>

SUGGESTED RULE AMENDMENTS SUBMITTED BY OTHERS

JISCR 13	Judicial Information System Committee (JISC) proposed amendments to this rule to define “electronic court record system,” to clarify that JISC approval is required for all electronic court record systems, to provide for increased notice of proposed systems, and to require courts with alternative electronic court record systems to comply with the JIS Data Standards for Alternative Electronic Court Record Systems.	12/3/14: The Court entered an order to publish the proposed amendments for comment, with comments to be submitted no later than 30 days from the date of publication (Jan. 23, 2015).
CrR 8.10 and CrRLJ 8.13	Amendments to Post Trial Contact with Jurors Rules suggested by Washington Association of Criminal Defense Lawyers.	4/2/2015: Court published for Comment. Comment period ends 4/30/2016. 3/16/16: The Court amended the previous Order and extended the comment period to 5/31/16.
APR 11	The Superior Court Judges’ Association recommended the Proposed Amendments to APR 11 – Continuing Legal Education.	11/4/15: The Court entered an order to publish the proposed amendments for comment, with comments to be submitted no later than April 30, 2016.
CrRLJ 3.2	The District and Municipal Court Judges’ Association recommended the suggested amendments to CrRLJ 3.2 – Release of Accused.	12/2/15: The Court entered an order to publish the proposed amendments for comment, with comments to be submitted no later than April 30, 2016.
GR 28	Judge Joh Antosz recommended the proposed amendment to GR 28 – Jury Service Postponement, Excusal, and Disqualification.	3/30/16: The Court entered an order to publish the proposed amendments for comment, with comments to be submitted no later than June 30, 2016.
New Rule GR 36	The Trial Court Advisory Board recommended the proposed amendment to New Rule GR 36 – Trial Court Security.	3/30/16: The Court entered an order to publish the proposed amendments for comment, with comments to be submitted no later than June 30, 2016.

SUGGESTED RULE AMENDMENTS SUBMITTED BY OTHERS

RAP 9.2(b)	The Office of Public Defense recommended the proposed amendment to RAP 9.2(b) – Verbatim Report of Proceedings.	4/12/16: The Court entered an order to publish the proposed amendments for comment, with comments to be submitted no later than June 30, 2016. 11/2/16: The Court adopted the rule.
RAP 14.2	The Appellate Cost Workgroup recommended the proposed amendments to RAP 14.2 – Who is Entitled to Costs.	6/2/16: The Court entered an order to publish the proposed amendments for comment, with comments to be submitted no later than August 20, 2016.
CR 28(d), CR 28(e), CR 30(b)(1), and CR 80(d)	The Washington Court Reporters Association recommended the proposed amendments to CR 28(d), and new subsection (e) – Persons before whom Depositions may be taken, CR 30(b)(1) – Depositions Upon Oral Examination, and CR 80(d) – Court Reporters.	6/2/16: The Court entered an order to publish the proposed amendments for comment, with comments to be submitted no later than August 20, 2016. 11/2/16: The Court adopted CR 28(e).
CrR 3.4, CrRLJ 3.4	<i>The SB 5177 Court Video Testimony Work Group recommended the proposed amendments to CrR 3.4 – Presence of the Defendant, and – CrRLJ 3.4 – Presence of the Defendant.</i>	<i>11/2/16: The Court entered an order to publish the proposed amendments for comment, with comments to be submitted no later than April 30, 2017.</i>
New Rule GR 36	<i>The American Civil Liberties Union of WA recommended the proposed new General Rule 36 – Jury Selection.</i>	<i>11/2/16: The Court entered an order to publish the proposed amendments for comment, with comments to be submitted no later than April 30, 2017.</i>
GR 17, GR 30	<i>The Court Management Council recommended the proposed amendments to GR 17 – Facsimile Transmission, and GR 30 – Electronic Filing and Service.</i>	<i>11/2/16: The Court entered an order to publish the proposed amendments for comment, with comments to be submitted no later than April 30, 2017.</i>



To: Board of Governors

From: Executive Management Team

Re: Q4 FY 2016 Management Report

Date: November 9, 2016

Attached are annotated FY2016 Operational Priorities, which score the organization's progress through Q4 in achieving FY2016 priorities that are linked to WSBA's Mission Focus area and Strategic Goals.









Also attached is the Organizational Context Chart, which provides background information about the WSBA from FY2004-FY2016, including data and trends related to Members, Regulatory Functions, Engagement & Outreach, Member Benefits & Professional Development, Operations, and Milestones. As you review, please note: (1) until we close out FY16, financial data has been estimated; (2) some data points, as indicated on the Chart, are measured by calendar year. Both will be updated in the Q1 FY2017 Management Report.









FY2016 OPERATIONAL PRIORITIES



MISSION FOCUS AREAS: ENSURING COMPETENT AND QUALIFIED LEGAL PROFESSIONALS; PROMOTING THE ROLE OF LAWYERS IN SOCIETY

	STRATEGIC GOAL*				REPORTING QUARTER				
	1	2	3	4	1	2	3	4	
Regulation & Licensing									
• Implement new MCLE accreditation and reporting system; develop compliance tracking and certification function	X			X					Q1: Not reported in Q1. Q2: Phase 1 has been essentially completed, was deployed by January 1 deadline and is in use; we are preparing to commence Phase 2, with some work in process. Q3: Not reported in Q3. Q4: New system up and running for opening of FY17 license renewal season.
• Analyze Online Admissions Program alternatives	X			X					Q1: Not reported in Q1. Q2: Delayed due to lack of capacity. Q3: Not reported in Q3. Q4: Due to lack of capacity, this project was moved to FY17.
• Analyze uniform admission, licensing and disciplinary systems for legal professionals concurrent with implementation of LLLT and LPO programs and regulations	X		X						Q1: Not reported in Q1. Q2: Internal teams of WSBA staff have met, gathered information, and prepared discussion drafts of plans for integration of existing licensing, admissions, and discipline systems and creation of an Office of the Regulatory Adjudicator. These preliminary plans have been shared and discussed with the Board of Governors, the Supreme Court, and the LLLT Board. Q3: Not reported in Q3. Q4: Coordinated rules for admissions and licensing were developed, reviewed, and forwarded to Court with BOG recommendation to adopt. Coordinated discipline system is proceeding according to schedule; internal planning meetings and preliminary input discussions with affected Boards have been held.
• Implement on-line discipline and disability filing and system for confidential sharing of discipline investigation documents	X			X					Q1: This system is being tested and will be deployed in incremental steps to ensure accurate performance in all situations. Q2: Not reported in Q2. Q3: Not reported in Q3. Q4: Work is underway and will continue into FY17. We are working to resolve technical impediments in development or limitations of the capabilities of the software as they arise.



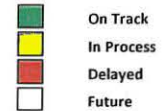
	STRATEGIC GOAL*				REPORTING QUARTER				
	1	2	3	4	1	2	3	4	
Member Benefits & Professional Development									
<ul style="list-style-type: none">Enhance LOMAP delivery system and state-wide practice management professional resources	X	X	X	X					<p>Q1: Not reported in Q1.</p> <p>Q2: Expanded educational resources available online.</p> <p>Q3: Not reported in Q3.</p> <p>Q4: Launched Practice Education Center, an online educational resource consisting of streaming audio lessons covering a range of law practice management topics based on LOMAP's Self-Audit Checklist. The Law Office Management Specialist position is currently vacant and we are recruiting to fill it.</p>
<ul style="list-style-type: none">Increase MentorLink informational resources that specifically include check-list, manuals, and tool kits to support mentorship relationships within WSBA programming and external stakeholder programming	X	X	X	X					<p>Q1: MentorLink worked with various WSBA communication channels to promote the new MCLE rules for accredited mentorship and promote ALPS Attorney Match. We began the development phase for resources to augment the MCLE accreditation, including the Mentor in a Box Took Kit, the MentorLink webinar series and an attorney survey for ALPS Attorney Match.</p> <p>Q2: On track to hold first annual Experience Exchange on May 24, which matches new lawyers from historically underrepresented backgrounds with seasoned legal professionals for a day of facilitated interaction and meaningful engagement. Also on track to hold first Mentor in a Box Workshop on May 27th. The workshop Tool Kit was developed in Q2 for organizations seeking to become MCLE accredited for mentorship. MentorLink also created a flyer to encourage mentors to sign up for ALPS Attorney Match as well as local, specialty and minority bar association mentorship opportunities. In networking event held with RPPT Section, 80% of attendees reported connecting with a mentor after the event and that they plan to continue a relationship. Program efforts are on track to deliver a two part CLE seminar in Q3 on establishing a mentorship relationship. This will be offered for free to mentees and mentors to acquire best practices and learn about the various mentorship opportunities in our state.</p> <p>Q3: The Experience Exchange Breakfast and Mentor-in-a-Box Workshop were delivered. Sixteen mentors and mentees participated in the inaugural Experience Exchange event. The Workshop reached 12 organizations seeking to build an MCLE accredited mentorship program or to improve their existing program. In Q3 MentorLink launched "Mentorship Mixers", one-time events designed to provide mentees and mentors with similar interests with an opportunity to meet in a casual setting. A mixer was hosted this quarter in partnership with the Civil Rights Section, bringing in 32 attendees. The MentorLink website was refreshed to more effectively communicate the program. This quarter we continued to design a two-part seminar on establishing a mentorship relationship for mentors and mentees.</p> <p>Q4: MentorLink recruited and began working with a Curriculum Development Team of mentors and mentees to create a self-study, mentoring curriculum to compliment the Self-Directed Structured Mentoring Program Guide provided for mentors and mentees to receive MCLE credit for their activities. The curriculum will be published by December 2016. MentorLink Mixer was hosted in partnership with the Young Lawyers Committee and the Solo and Small Practice Section, to exchange knowledge, meet peers and connect with experienced attorneys.</p>



	STRATEGIC GOAL*				REPORTING QUARTER				
	1	2	3	4	1	2	3	4	
<ul style="list-style-type: none"> Streamline operations, and deliver high quality, relevant educational offerings within budget focused on 21st century skills for legal professionals 	X	X	X	X	On Track	On Track	On Track	On Track	<p>Q1: CLES is on course to exceed FY16 budget expectations: (1) we delivered 40% of budgeted revenue for the year, with 371 registrations more than projected (+\$97,600.00 additional income); (2) we are adding seven programs into the FY16 schedule, to help insulate the overall budget from any underperforming seminars; (3) we are not replacing a Program Coordinator position (salary savings of ~\$50,000.00); and (4) we are reviewing program delivery processes and procedures, to enhance efficiency and effectiveness. The WSBA Education Workgroup has developed an initial definition and 21st Century skills list, and is developing implementation recommendations. We have already taken steps to roll out webinar technology training to the CLE staff, which is integral to teaching some of the skills-based learning identified as crucial to 21st Century Skills.</p> <p>Q2: CLES is still on course to exceed FY16 budget expectations: (1) we delivered five programs in Q2; YTD approximately 554 registrations ahead of budget with revenue in excess of budget of \$101,000.00; (2) we added four seminars into the programming calendar that were not previously budgeted and are planning three additional programs to compensate for any future underperforming seminars; (3) we eliminated the Education Programs Assistant position and are transitioning the employee into the Program Coordinator role that had not been filled. The latter role participates more directly in the production of seminars and educational programs thereby increasing the team's efficiency in program delivery. We completed the CLE staff training on webinar technology and will be rolling out delivery of programs through the webinar platform mid-April. This will position the CLE team to offer educational programs at a lower cost threshold and to allow smaller sections to deliver fully supported CLEs. It will also be an integral tool in the delivery of programming around 21st Century Skills. The WSBA Education Workgroup has developed a definition and list for 21st Century skills. The group is currently developing implementation recommendations.</p> <p>Q3: CLE remains on course to exceed FY16 budget expectations - 23 programs delivered in Q3; YTD 730 registrations ahead of budget with revenue in excess of budget of \$114,000.00. Because of increased registrations beyond budgeted expectations at midyears, we exceeded costs by approximately \$18,000 (mostly in increased banquet/food costs). The CLE Team will delivery 19 more programs in FY16. The WSBA Education Workgroup continues to develop implementation recommendations for delivering 21st Century Skills programming.</p> <p>Q4: CLES will exceed FY16 budget expectations; we are projected to end the year with a positive budget (rather than \$126k budgeted loss). CLES streamlined operations and eliminated a position. We delivered 72 continuing legal education programs (including the Legal Lunchbox Series) and supported the delivery of 57 Section Mini-CLE programs. We also rolled out the use of a Webinar tool in FY16, which will be used to develop shorter CLE programs in both stand-alone and series formats. The webinar tool uses fewer resources internally and is a more efficient CLE delivery method. We continue to work on programming for 21 Century Skills and will focus more on this initiative in FY17.</p>



	1	2	3	4	1	2	3	4	
<ul style="list-style-type: none"> Streamline section procedures with respect to governance, finances, operations, and member benefits (educational, networking and leadership opportunities) 	X	X	X	X	On Track	In Process	In Process	On Track	<p>Q1: Phase 1 work of the Board/staff Sections Policy Workgroup is complete. During this Phase, the Workgroup: (1) analyzed current section demographics, member benefits, governance structures and fiscal policies; (2) developed core principles to guide our work; (3) solicited section feedback through an online survey and a dedicated feedback forum; (4) published a comprehensive memorandum, accompanied by a summary of Workgroup communications with sections, discussion draft standard Sections Charter, discussion draft Section Fiscal Policy, and several charts comparing discussion drafts with current policies; and (5) set Phase 2 opportunities for further section input and feedback.</p> <p>Q2: Phase 2 is proceeding with extensive feedback received and incorporated from section leaders, addition of section leaders to Workgroup, rescoping of policies to be addressed this year, and adjustment of timeline for presentation to Board for consideration and action.</p> <p>Q3: Phase 2 is proceeding and benefiting from the participation of section leaders in the Workgroup. The workgroup met three times in Q3 and provided input to the WSBA Budget & Audit Committee regarding revisions to Chapters 6 and 10 of the WSBA Fiscal policies. The workgroup continues to examine areas where section procedures can be streamlined with respect to governance, operations, and member benefits.</p> <p>Q4: The Budget & Audit Committee recommended, and Board of Governors approved, revisions to Chapters 6 and 10 of the WSBA Fiscal policies. The workgroup met three times this quarter, determining that the member year should change to the licensing year beginning in 2018, and approving suggested amendments to the Article XI of the WSBA bylaws regarding section governance and operations. The Board considered the suggested amendments on first reading in August and second reading in September. The Board voted to delay action on Article XI until the November Board meeting to consider the impacts of amendments to Article III [Membership] and VII [Meetings]. If the suggested amendments to Article XI are approved in November, we will support and work with section leaders to bring policies and practices into alignment where needed.</p>
Public Service & Diversity/Inclusion									
<ul style="list-style-type: none"> Increase member participation in WSBA public service programs by 25% 	X	X		X	On Track		In Process		<p>Q1: Not reported in Q1.</p> <p>Q2: During this quarter 45 new attorney volunteers joined the WSBA Moderate Means Program, 270 re-committed to the 2016 Call to Duty Pledge, and 39 attorneys took the 2016 Pledge for the first time. Recruitment efforts for the Moderate Means Program included targeted outreach in Grant, Mason, Chelan, Kitsap and Thurston counties through Q2 and will continue in Q3 and Q4 with a focus on new lawyers. Throughout the year we will be marketing the 5th Year Anniversary of the Moderate Means Program. We have planned a Call to Duty Pledge campaign in NWSide Bar and a second Day of Service in Tacoma for September.</p> <p>Q3: Not reported in Q3.</p> <p>Q4: During the last two quarters, 41 new attorneys signed up to participate in the WSBA Moderate Means Program, 31 new members took the 2016 Call to Duty Pledge, and 103 participated in a Day of Service clinic. The total member increase was consistent with prior year member participation increases, but less than 25%.</p>
STRATEGIC GOAL* REPORTING QUARTER									



	1	2	3	4	1	2	3	4	
<ul style="list-style-type: none"> Institutionalize practices/procedures around faculty recruitment strategies to maintain and enhance pool and diversity of CLE faculty for WSBA and section CLEs with goal of at least mirroring racial representation with the membership. 			X						<p>Q1: Not reported in Q1.</p> <p>Q2: Development of a system to help CLE recruit and manage CLE Faculty information (including demographic information) is complete. Communication and roll out are expected to be complete by May.</p> <p>Q3: Not reported in Q3.</p> <p>Q4: During this quarter, we developed an outreach toolkit focused on diversification of faculty, CLE content and understanding public impact. There are now approximately 150 speakers in the CLE Faculty database, which Seminar leads use to assist in faculty recruitment and selection. We delivered a presentation at the ACLEA conference on our progress and practices.</p>
<ul style="list-style-type: none"> Continue to develop tools, opportunities, and educational programming to foster diversity, inclusion, and cultural competence of WSBA staff, volunteers, vendors, and members at large. 	X	X	X	X					<p>Q1: For Staff: Monthly Continuing the Conversation; on-going conversations regarding access for those with disabilities throughout remodel (cultural competence); progress on development of CLE Faculty directory (with diversity demographics). For volunteers: Diversity & Inclusion (1) presentations for Fall Section Leaders Meeting and Annual Committee Chair and Liaison Meeting; (2) training for Hearing Officers; and (3) conversation with Pro Bono and Public Service Committee. In addition, the Diversity Committee held its kick off orientation/retreat. For members: Q1 was focused on planning Experience Exchange, 9 webinars, 10 networking events and 1L Diversity fellowship partnerships with all three law schools; with implementation beginning January 2016.</p> <p>Q2: Not reported in Q2.</p> <p>Q3: Not reported in Q3.</p> <p>Q4: For Staff: Monthly Continuing the Conversation; mandatory staff training on identity, discomfort and bias; creation of the Accessibility Team; Accessibility Toolkit training; dominant culture and whiteness trainings for Exec Team; completed Race Equity Impact Analysis Tool and rolled out for piloting. For volunteers: Multiple trainings for BOG, ATJ Board, WYLC, and Sections; instituted Diversity & Inclusion training for New Governor Orientation. Creation of the Nominations Committee checklist. In addition, the Diversity Committee held its kickoff orientation/retreat. For members: Outreach meetings with 13 MBAs, inaugural Experience Exchange Breakfast Mentoring Event, 3 webinars, 7 networking events, ARC Reception, Inaugural kick off of Beyond the Dialogue Intersection Series, Implicit Bias workshops for UW and Mentorlink in a Box. Four organizational consults for Implicit Bias/Microaggression trainings. Planning for statewide diversity and inclusion stakeholder think tank summit.</p>



	STRATEGIC GOAL*				REPORTING QUARTER				
	1	2	3	4	1	2	3	4	
Engagement & Outreach									
• Implement integrated brand identity internally and externally to consistently communicate our purpose, value, and commitment to members and the public	X	X	X	X					<p>Q1: WSBA brand guidelines are being finalized and staff training will be scheduled for January/February to ensure brand consistency throughout the organization as with all external communications.</p> <p>Q2: WSBA brand guidelines are close to finalization and staff training should occur in April/May.</p> <p>Q3: Not reported in Q3.</p> <p>Q4: Brand implementation has been incrementally rolled out internally throughout the year. The brand guidelines now are finalized and will be rolled out to staff and volunteers before the end of the calendar year.</p>
• Redesign WSBA.org website to improve user experience and value for key audiences (members, public, stakeholders)	X	X	X	X					<p>Q1: Internal and member research on the user experience and value of the website has been completed. Final research is being conducted on viable content management systems with the decisions to be made in February, along with the selection of a development/design vendor.</p> <p>Q2: Research on viable content management systems is complete. RFP seeking partner for the development/design of a new website will issue in April. Partner selection should occur in May.</p> <p>Q3: WSBA has selected a partner to work with on the website redesign. Work should begin in mid-to-late July if budget parameters allow .</p> <p>Q4: The website redesign is underway, with WSBA working with an outside vendor (partner). Projected launch date of a new website is scheduled for March 2017.</p>
• Coordinate outreach to all local, minority and specialty bars that ensures at least one meaningful touchpoint with WSBA during the year	X	X	X	X					<p>Q1: (1) WSBA Group Registration Policy under development (the goal of this policy is to ensure that WSBA has a representative presence throughout the state and that BOG members are aware of and attend local county bar meetings or events in their districts); (2) work is underway with county bars in Districts 2, 9, and 10 to inform them about the BOG elections in their areas, and to generate nominations; (3) staff attended Yakima County Bar event in December, and Whatcom County and Kitsap County Bar events in January; (4) a WSBA Community Networking event is scheduled for January 21 in Tacoma.</p> <p>Q2: (1) BOG Election completed for Districts 2, 9, and 10. Voter turnout was +21%; (2) BOG and Staff attended joint lunch meeting with the Snohomish County Bar in March; (3) BOG and Staff attended the Spokane County Bar Professionalism Dinner in Spokane; (4) Successful Community Networking Event held in February in Bellevue (East King County Bar); (5) WSBA On Location events are being planned for June. This will involve the county bar associations in Kitsap, Mason, and Thurston Counties; (6) Staff will visit the Island County Bar in May.</p> <p>Q3: Coordinated Listening Tour with WSBA President and Executive Director for visits to Bellevue, Moses Lake, Tri-Cities, Walla Walla, Pullman and Spokane in June. WSBA On Location events were held in Mason, Thurston and Kitsap counties. WSBA Networking Events were held in Vancouver, Olympia and Bremerton in June, with another planned for Bellingham in July.</p>



Q4: (1) A calendar of local/county bar meetings and events was provided to all BOG members to support their outreach/ambassadorship efforts; (2) Significant outreach was conducted with local/county bars to encourage support/attendance at WSBA's APEX Awards.

	STRATEGIC GOAL*				REPORTING QUARTER				
	1	2	3	4	1	2	3	4	
<ul style="list-style-type: none"> Improve services to the public through focused PR efforts and responsive communications 		X			In Process	In Process	In Process	In Process	<p>Q1: One focus of the WSBA website redesign is to ensure it evolves into a more useful resource for the public. This work is integral in the advancement of this priority.</p> <p>Q2: Discussions are planned with other stakeholders in the legal community to help ensure WSBA's PR efforts and public engagement/outreach are not duplicative of other services/work being done in the legal community.</p> <p>Q3: The website redesign process includes plans to improve the area of the website containing information and resources for the public.</p> <p>Q4: (1) An emphasis on public pages/content for the redesigned website is included in the plan; (2) Outreach was conducted with legal organization allies to help better define WSBA's niche in providing public content/opportunities for engagement; (3) Discussions are underway for the development of short videos for use as public resources, available via the website.</p>
Organization & Infrastructure									
<ul style="list-style-type: none"> Implement paperless accounts payable system 	X	X	X	X					<p>Q1: Not reported in Q1.</p> <p>Q2: In April, we will begin accepting electronic reimbursement requests and receipts, per authorization by the Board of Governors. We have investigated and conducted demos of potential paperless accounts payable systems. However, we lack capacity to implement the full project at this time.</p> <p>Q3: Not reported in Q3.</p> <p>Q4: Due to lack of capacity, this project was moved to FY17.</p>
<ul style="list-style-type: none"> Analyze membership data management platform and alternatives 	X	X	X	X					<p>Q1: Not reported in Q1.</p> <p>Q2: Not reported in Q2.</p> <p>Q3: Researched data membership platforms used by other Bar associations; searched for market alternatives to current membership data management platform (Personify); analyzed features, cost, and suitability of Personify upgrade; currently looking at vendor options to support FY17 Personify upgrade.</p> <p>Q4: Analyzed vendor options and upgrade alternatives; and negotiated favorable terms with Personify. Project will be implemented in FY17.</p>

* **2013-2015 Strategic Goals**

1. Prepare and equip members with problem-solving skills for the changing profession. 2. Foster community with and among members and the public. 3. Promote equitable conditions for members from historically underrepresented backgrounds to enter, stay and thrive in the profession. 4. Support member transitions across the life of their practice.

784 MEMBERS		FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	
	Total / Median Age ⁱ	29,199 / 47	30,061 / 47	30,963 / 48	31,912 / 48	32,635 / 48	33,444 / 49	34,034 / 49	34,554 / 49	35,023 / 49	35,477 / 50	36,296 / 50	37,373 / 50	38,162 / 48	
	Active / Median Age	24,449 / 46	25,186 / 47	25,912 / 47	26,781 / 47	27,398 / 47	27,880 / 47	28,520 / 48	28,815 / 48	29,190 / 48	29,731 / 48	30,487 / 48	31,437 / 48	31,998 / 48	
	Inactive / Median Age	3,671 / 48	3,740 / 49	3,875 / 50	3,920 / 50	4,001 / 51	4,279 / 51	4,208 / 52	4,416 / 52	4,676 / 53	4,628 / 53	4,695 / 54	4,834 / 55	5,073 / 55	
	Voluntary Resignations / Median Age	204 / 50	168 / 52	181 / 53	246 / 56	277 / 58	255 / 58	391 / 57	405 / 62	440 / 60	454 / 63	488 / 63	524 / 63	606 / 64	
	Pro Hac Vice	data unavailable	380	517	480	488	506	481	664	623	624	590	638	365	
	Section Members:	8,236	8,324	8,132	8,739	7,747	7,770	9,497	9,815	9,861	9,968	10,196	10,150	10,617	
	Reported Pro Bono Hours ⁱⁱ	data unavailable				4,831 / 286,562	4,226 / 296,776	5,415 / 359,728	5,639 / 371,578	3,905 / 282,575	3,712 / 261,402	4,370 / 280,176	5,515 / 351,935	6,051 / 362,846	4,795 / 327,933
	Volunteers:	WSBA Volunteer Positions							data unavailable	1,151	1,039	912	895	827	850
	WSBA Public Service ⁱⁱⁱ							data unavailable			1,176	1,439	1,878	2,106	2,503

REGULATORY FUNCTIONS		FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Admissions:	All applicants	1,765	1,772	1,821	1,771	1,736	1,674	1,739	1,713	1,694	1,855	2,091	1,956	1,751
	Admissions (exam / by motion / transfer)	939 / 248 / 0	987 / 270 / 0	951 / 263 / 0	1,116 / 302 / 0	973 / 243 / 0	982 / 235 / 0	948 / 249 / 0	926 / 229 / 0	932 / 246 / 0	880 / 292 / 9	1,023 / 393 / 65	893 / 726 / 87	833 / 559 / 96
Licensing (calendar year):	MCLE Form 1: ^{iv}	17,399	15,675	15,777	16,313	18,104	20,041	18,472	19,147	19,536	19,002	19,794	19,330	calendar year
	Hardship - Exemptions	introduced FY11							169	130	140	115	107	115
	Payment Plan	introduced FY13									46	61	59	54
Discipline (calendar year): ^v	Consumer Affairs ^{vi}	13,575	11,525	11,379	11,646	11,379	10,360	7,851	6,409	5,098	8,503	6,608	6,682	calendar year
	Grievances	1,938	1,935	1,847	2,029	1,904	1,769	2,144	2,156	2,329	2,228	2,165	2,081	calendar year
	Diversions	32	74	69	63	43	22	38	42	34	30	32	28	calendar year
	Actions Imposed (total/disbarments/suspensions)	76 / 19 / 24	83 / 13 / 32	69 / 23 / 26	73 / 25 / 26	81 / 18 / 26	62 / 16 / 20	93 / 26 / 24	74 / 28 / 18	85 / 32 / 21	95 / 32 / 31	71 / 23 / 34	74/ 19/ 27	calendar year
Random Exams: (# lawyers per Cal. Yr.)		69	54	78	40	6	59	100	45	20	0	0	121	calendar year
Other Legal Professionals:	Limited Practice Officers	1,250	1,300	1,349	1,403	1,370	1,291	1,207	1,130	1,069	1,027	1,003	968	963
	Rule 9 Interns	497	376	413	424	479	393	397	432	464	405	378	322	312
	LLLTs	introduced 2015											3	16
Law Clerks:		36	49	47	42	41	44	49	57	60	60	67	71	72
Lawyers' Fund Client Protection:	Approved Applications	84	47	66	34	43	33	78	72	39	45	44	58	44
	Payments ^{vii}	\$313,721	\$147,247	\$468,696	\$539,789	\$899,672*	\$449,050	\$554,270	\$1,003,458*	\$378,574	\$423,508	\$337,160	\$495,230.41	239,842.26
Unauthorized Practice of Law:	Complaints (filed / dismissed)	46/19	37/4	41/13	32/10	34/20	54/18	60/19	61/31	43/15	62/28	52 / 34	no data available ^{viii}	44 / 49 ^{ix}
	Referral / Deferral Letters ^x	9 / 15 / 0	17 / 4 / 1	6 / 2 / 2	9 / 4 / 1	9 / 13 / 3	16 / 8 / 1	11 / 5 / 2	17 / 3 / 7	9 / 8 / 2	10 / 1 / 0	4 / 4 / 0		29 / 3 ^{xi}

ENGAGEMENT & OUTREACH		FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
	Service Center Contacts (calls / emails): ^{xii}	90,850 / NA	*76,152	data unavailable			*76,188	70,774	62,340	49,957	46,474 / 17,319	45,093 / 20,540	38,588 / 21,187	35,828 / 17,970
	wsba.org site visits:	data unavailable							3,628,474	3,447,088	3,697,123	3,512,168	3,527,824	3,184,834
	wsba.org home page visits:	data unavailable							1,379,144	1,305,263	1,235,479	1,166,862	1,100,229	1,560,284
	Lawyer Directory visits:	data unavailable							1,769,558	1,613,296	1,520,793	1,354,613	1,238,116	1,392,694
	Facebook Likes / Twitter Followers:	introduced FY12								450 / NA	859 / 1,443	1,378 / 1,905	1,741 / 2,389	2,115 / 3,059
	Job Target site visits / postings:	introduced FY12								60,795 / 112	185,099 / 357	351,102 / 465	340,660 / 544	307,296 / 632
	NWSidebar (subscribers; visits/month):	introduced FY13								258 / 7,462	415 / 8,042	493 / 8,530	659 / 8,686	

MEMBER BENEFITS & PROF. DEV.		FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016		
WSBA-Sponsored Benefits:	Ethics Outreach: Calls/presentations	data unavailable					2,133	2,795	3,629	3,370	3,147	3,241 / 35	2,939 / 34	2,803 / 35		
	Law Office Mgmt. Assist. Program: Consultations (initial / paid)									data unavailable	101	41 ^{xiii}	100	82		
	Presentations / attendees ^{xiv}						data unavailable			27 / 1,235	28 / 1,010	27 / 557 / 4,784	29 / 746 / 4,589	17 / 418		
	Lawyer Assist. Program: Consultations Presentations / attendees Member Asst. Prog Consults ^{xv}						data unavailable			688	765	212	172	298		
							data unavailable			11 / 640	15 / 850	12 / 591	4 / 4,250	9 / 5,495		
										introduced FY14		15 / 43	34 / 53	39 / 55		
	WSBA-Sponsored Benefits:	Legal Research (Case Maker) ^{xvi}						data unavailable			22,504	22,012	22,506	22,844	25,874 / 10,561	
		Insurance programs									data unavailable	2,610	2,554	discontinued		
		Docket System (# firms)									data unavailable	148	discontinued			
		The Form Tool									introduced FY12	9	4	8 / discontinued		
		ABA Ret Funds (plans /participants)									introduced FY12	to be provided	to be provided	81 / 470	88 / 526	
		WA Daily Decisions (WDDS)									introduced FY13	76	143	to be provided	out of business	
		Writing software (Word Rake)									introduced FY13	55	107	39	199	
		ABA Books for Bars											introduced FY15	19	8	
		ALPS (# firms/lawyers)											introduced FY15	307 / 616	492 / 921	
		Bill4Time											introduced FY15	3	10	
		Citrix ShareFile											introduced FY15	8	14	
		Client Conflict Check											introduced FY15	1	5	
		Clio											introduced FY15	23	52	
		LawPay											introduced FY15	60	258	
		Ruby Receptionist											introduced FY15	8	9	
		Worldox											introduced FY15	0	3	
		CLE Seminars:	Programs / credits offered	116	118 / 697.75	122 / 717.75	120 / 649.50	112 / 657.75	129 / 658.25	107 / 632.25	110 / 645.75	101 / 662.25	79 / 518	60 / 409.25	54 / 402.75	58 / 389.25
			Attendees ^{xvii}	5,287 / 11,047	5,170 / 9,868	5,942 / 11,566	5,501 / 10,252	5,885 / 10,848	6,040 / 10,600	6,269 / 10,974	6,275 / 11,602	6,349 / 10,938	6,111 / 9,644	4,959 / 7,489	5,368 / 7,171	4,291 / 5,890
	Mini CLEs:	Programs / credits offered	3 / 3.5	13 / 30.5	21 / 41.5	26 / 52.5	35 / 72.5	57 / 110.75	37 / 50.5	41 / 57	36 / 67.75	41 / 86.5	43 / 105	39 / 52.25	54 / 60	
		Attendees	79	665	847	989	1,254	1,572	1,245	1,327	1,196	1,591	1,854	2,451	2,528	
	New Lawyer Education:	Programs / credits offered						introduced FY11			3 / 14.75	3 / 16.75	4 / 29.0	9 / 41.75	12 / 56.75	9 / 43.25
		Attendees									513	216	261	673	1,233	880
	Legal Lunchbox ^{xviii} :	Programs / credits offered											introduced FY14		12 / 16.25	12 / 18
		Attendees													6,785 / 14,837	7,007 / 22,025
	Product Sales:	Recorded seminars ^{xix}	1,124	1,535	2,957	4,050	4,622	5,639	5,697	4,825	6,087	5,909	6,624	6,518	6,498	
		Desk books / course books	211 / 147	695 / 795	1,828 / 983	1,432 / 893	492 / 829	864 / 674	970 / 627	949 / 511	713 / 443	700 / 474	546 / 443	936 / 288	650 / 324	

OPERATIONS		FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
H R	Budgeted FTE	123.9	126.0	134.3	138	140.75	142.87	144.12	146.1	143.9	140.7	139.95	145.95	144.45
	Turnover	20%	data unavailable	15%	12%	19%	7%	8%	12%	18% ^{xx}	14%	18%	22%	16%
F I N A N C E S	Active Fee ^{xxi}	\$375	\$383	\$391	\$399	\$407	\$415	\$450	\$450	\$450	\$325	\$325	\$325	\$385
	LFCP Assessment	\$13	\$13	\$13	\$15	\$15	\$15	\$30	\$30	\$30	\$30	\$30	\$30	\$30
	Keller Deduction ^{xxii}	\$1.94 (10%)	\$3.70 (11%)	\$2.14 (10%)	\$3.80 (10%)	\$3.15 (10%)	\$3.45 (9%)	\$3.95 (13%)	\$4.40 (14%)	\$6.00 (17%)	\$6.40 (17%)	\$4.70 (16%)	\$4.40 (13%)	\$3.50
	License Fee Revenues	\$9,229,118	\$9,626,927	\$10,119,412	\$10,612,853	\$11,115,256	\$11,568,669	\$13,040,395	\$13,628,445	\$13,878,419	\$11,390,193	\$10,761,000	\$11,133,170	\$12,819,372 (est.)
	# Donors to WSBF / WSBF grant to WSBA :	NA									127 / \$110,000	5,160 / \$275,136	3,172 / \$207,125	3,072 / \$177,621
	General Fund Budgeted	\$11,835,371	\$12,429,364	\$13,157,970	\$13,840,420	\$14,935,591	\$15,251,745	\$16,594,854	\$16,991,025	\$17,112,690	\$15,137,529	\$14,562,325	\$14,757,180	\$16,420,637
	Revenues: Actual	\$12,043,769	\$13,218,235	\$13,980,849	\$14,611,383	\$14,612,599	\$15,071,222	\$17,077,440	\$17,308,336	\$17,797,242	\$15,349,822	\$15,335,749	\$15,266,002	\$16,947,932 (est.)
	General Fund Budgeted	\$11,592,829	\$12,429,304	\$13,157,487	\$14,717,511	\$15,190,916	\$17,202,812	\$16,184,798	\$16,667,875	\$16,934,743	\$15,594,088	\$16,562,819	\$17,904,053	\$18,653,016
	Expenses: Actual	\$11,051,897	\$12,069,956	\$13,077,385	\$14,011,799	\$14,795,034	\$16,559,591	\$15,520,074	\$16,028,974	\$16,323,442	\$15,097,982	\$16,493,451	\$17,966,538	\$18,071,602 (est.)
	General Fund Net Budgeted	\$242,542	\$60	\$483	(\$877,091)	(\$255,325)	(\$1,951,067)	\$410,0586	\$323,150	\$177,947	(\$456,559)	(\$2,000,489)	(\$3,146,873)	\$2,220,607
	Income/(Loss): Actual	\$991,873	\$1,148,279	\$903,464	\$599,584	(\$182,435)	(\$1,488,369)	\$1,557,366	\$1,279,362	\$1,473,800	\$251,840	(\$1,157,702)	(\$2,700,536)	(\$1,123,670) est.
R E S E R V E S	Operating Reserve	\$994,344	\$1,052,599	\$1,200,000	\$1,234,601	\$1,500,000	\$1,450,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
	Facilities Reserve	0	0	1,802,599	1,445,000	2,500,000	2,500,000	2,710,000	3,340,000	3,340,000	3,340,000	3,340,000	3,286,096	\$2,174,755 (est.)
	Other Reserves	994,344	1,052,599	750,000	775,000	675,000	475,000	414,162	562,196	445,642	409,457	337,582	316,438	\$304,109
	Unrestricted	735,636	1,815,150	1,071,215	1,968,797	565,962	9,586	1,367,795	1,869,124	3,459,475	3,711,315	2,625,488	0	\$0
	Total Balance	\$2,724,324	\$3,920,348	\$4,823,814	\$5,423,398	\$5,240,962	\$4,434,586	\$5,991,957	\$7,271,320	\$8,745,117	\$8,960,772	\$7,803,070	\$5,102,534	\$3,978,864 (est.)
	Lawyers' Fund for Client Protection Balance:	632,477	821,669	796,155	699,239	231,804	184,640	434,823	261,318	791,399	1,213,602	1,746,010	2,144,289	\$2,790,029 (est.)
	Continuing Legal Education Fund Balance:	1,436,141	1,585,026	1,954,241	1,991,838	1,947,887	1,079,796	1,408,491	1,351,464	1,341,266	1,192,124	458,415	53,090	\$453,414 (est.)
	Sections Fund Balance:	832,805	780,129	878,817	896,930	805,101	711,521	677,666	773,328	904,933	1,028,539	1,074,417	1,229,705	\$1,204,695 (est.)
	Western States Bar Conference:	0	0	0	0	0	0	0	0	0	0	0	11,113	\$10,958 (est.)
	TOTAL FUND BALANCES:	\$5,625,747	\$7,107,172	\$8,453,027	\$9,011,405	\$8,225,754	\$6,410,543	\$8,512,937	\$9,657,430	\$11,782,715	\$12,395,037	11,081,912	\$8,540,731	\$8,437,780 (est.)

MILESTONES	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
	WLI founded TIMSS Member Database	Case Maker offered to members	New Mission Statement & Guiding Principles ABA Report on Discipline System New Character & Fitness rules Sunsetting of ADR Program, LAP & LOMAP Committees	New Executive Director Mandatory reporting of insurance requirements WSBA move to Puget Sound Plaza	2008-2011 Strategic Goals adopted Program Reviews Application fees increase Online MCLE tracking	Live webcasting Program Reviews Limited Practice Officer rules/on-line tracking mywsba.org revamped \$1.5M gift to Law Fund	New WSBF mission statement; 2010-2013 Strategic Goals adopted; Comprehensive WSBA Bylaw changes Program Reviews Online licensing rolled out Online filing of grievances implemented CLE Conference Center opened Law Fund check off begins Home Foreclosure Program initiated DART introduced Spokane Bar Exam offered through FY2012	Mission Focus Areas adopted Licensing: Hardship exemption added WSBA.org redesigned Moderate Means Program initiated CPLE becomes independent 501(c)(3)	Member Referendum; Listening Tours introduced Online admissions rolled out Job Target Introduced Initial Membership Demographic Study Completed	2013-2015 Strategic Goals adopted First UBE LLLT Rule adopted by Supreme Court Licensing: Payment Plan introduced/ WSBF check-off added Job Target enhanced (Practice Transition Opportunities & Contract Lawyer) Home Foreclosure Project ends Diversity Plan adopted NWSidebar introduced Disaster Recovery Plan revised YLC integration WLI to UW Law School BOG Diversity Committee and Committee for Diversity Merged	Quarterly Dashboards introduced Amendments to ELCs and APRs Document Management System launched GR12.4 – public records Legal Lunchbox introduced Migrated to single platform for all recorded products (video, MP3, coursebooks) Call to Duty Program launched First Responders Will Clinic becomes independent 501(c)(3) Low Bono Section created Disaster Recovery: Recovery Site established; First Table Top Exercise New Professionalism Plan implemented	Board Governance Task Force and Self-Evaluation Amendments to MCLE rules LLLT: first licenses issued and RPCs adopted Implemented WSBA intranet Evaluation of CLE models New LOMAP delivery system model and expanded member benefits Implemented MentorLink Phase 2 of membership study: Diversity literature review & intersectionality report WSBA lease renewal and facilities renovation	2016-2018 Strategic Goals adopted ECCL Policy Decisions Amendments to APRs Amendments to WSBA Bylaws Amendments to Character & Fitness rules Sections policies MCLE system upgrade Website Redesign Webinar capacity launched CLE Faculty Database ATJ / CPD summits

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- i Includes Active, Emeritus, Honorary, Inactive and Judicial members.
 - ii First figure represents number of lawyers; second, number of *pro bono* hours reported on annual licensing form.
 - iii Lawyer mentors/participants in WSBA Public Service programs (Moderate Means, Home Foreclosure).
 - iv Does not include ~2,000 forms per year that are returned or reprocessed because incomplete or incorrect.
 - v Preliminary calendar-year end data through September 30, 2015.
 - vi Years 2004-2012 include oral contacts only, not e-mail communications. Year 2013 includes oral contacts and e-mail communications. Starting in calendar year 2015, this figure includes all Spanish language contacts with Consumer Affairs.
 - vii Asterisk indicates prorated payout of authorized awards.
 - viii The Washington Supreme Court suspended this Board from 11/2014 – 7/2015. The Board is currently being reconstituted and has been directed to consider the focus for its future work.
 - ix The Court suspended the Board on November 11, 2014 and reconstituted the Board on July 8, 2015. The reconstituted Board reviewed cases that was put on hold during the suspension.
 - x First figure represents number of Cease & Desist letters issued without referral to prosecutor or ODC; second represents number of letters issued and referred to prosecutor; third represents number of letters issued and referred to ODC. The Court reconstituted the Board on July 8, 2015 and the reconstituted Board only dismisses or refers cases.
 - xi This figure represents referrals only. The Board does not issue cease and desist letters.
 - xii Incomplete data in years marked with *; full year calculated using average monthly data.
 - xiii We have moved away from paid one-on-one consultations as part of the plan to expand accessibility of LOMAP services to more members. In addition to greater outreach through webcast programming, LOMAP currently offers free phone consultations for up to 30 minutes.
 - xiv First figure represents number of presentations; second represents attendees at LOMAP presentations *excluding* Legal Lunchbox seminars presented by LOMAP; third represents total attendees at LOMAP presentations, *including* Legal Lunchbox seminars presented by LOMAP.
 - xv First figure represents clients provided counseling; second figure represents number of sessions provided. Data currently only available for Q1-3 in 2015
 - xvi First figures represents member access; second figure represents number of users.
 - xvii First figure represents unduplicated member registrants; second represents total registrants (including non-members).
 - xviii Includes attendees at 9 live webcasts for credit, 1 live webcast without credit, and 2 months AV downloads.
 - xix Recorded seminar sales via CDs, MP3s and Legal Span.
 - xx Includes Referendum layoffs.
 - xxi Board of Governors set three year fee structures in July 1999 (2001-2003), May 2002 (2004-2006), and 2005 (2007-2009); two year fee structure in 2008 (2010-2011).
 - xxii First figure represents amount; second represents percent of members taking deduction.



WSBASections

TO: Paula Littlewood, WSBA Executive Director
FROM: The Sections Team:
Paris Eriksen, Sections Program Manager
Joe Terrenzio, Sections Program Lead
Julianne Unite, Sections Program Lead
DATE: November 2, 2016
SUBJECT: Report on WSBA Sections Activities FY16

Summary of WSBA Sections for FY16 (October 1, 2015 – September 30, 2016)

Approximately one-third of all WSBA members belong to one or more of the WSBA's 28 sections. The WSBA sections help to carry out the work of the Bar and meet the organization's mission of serving the public and the members of the Bar. Section benefits and activities also directly connect to WSBA's Strategic Goals for 2013-2015:

- *Prepare and equip members with problem-solving skills for the changing profession:*
 - Section Leaders dedicate significant time and effort to produce high quality continuing legal education opportunities,
 - newsletters and legal publications, and
 - member resources and tools in collaboration with WSBA staff.
- *Foster community with and among members and the public:*
 - Sections host a number of professional networking opportunities around the state, from hosted receptions and luncheons, to law school outreach events,
 - engage in legislative activities in collaboration with WSBA, bringing a valuable perspective to the process, and
 - provide members the opportunity to participate in section list serves.
- *Promote equitable conditions for members from historically underrepresented backgrounds to enter, stay and thrive in the profession:*
 - Sections can provide a significant and valuable touch point with WSBA for members who might not be involved with WSBA in another voluntary capacity.
 - Many sections sponsor grant and scholarship programs, focusing on access to justice and/or increasing access to resources for new/young lawyers and law students.
 - A number of sections participate in mentorship programs to strengthen legal skills, increase knowledge, reduce barriers, and expand their network of professional colleagues.
- *Support member transitions across the life of their practice:*
 - Many sections focus their efforts on outreach and providing seminars and resources targeted to new/young lawyers.
 - Other sections work to develop resources for members who may be transitioning to new areas of practice or learning new technologies.

Each year, the section executive committees and the WSBA staff work together to continue to increase and improve the services and support available to section members. Sections generally rely on member dues, CLE registration revenue, and publication royalties to fund their activities. The membership year is October 1 through September 30 of the following year. In addition to active members of the WSBA, the majority of sections have a “subscriber” category which includes inactive attorneys and others not eligible for section membership as voting members, to be nonvoting members of the section. Law students, also identified as subscriber members, may join any section for a reduced membership dues amount.

Sections by the Numbers

- **17,622** section memberships (Membership Database, Sept. 2016). Increase of appx. 400 members from FY15
- **10,525** individuals who hold at least one section membership (King County, 55%; New/Young Lawyers, 21%) (Membership Database, Sept. 2016)
- **368** section executive committee members across all 28 sections (hand count, Oct. 2016)
- **49** section-sponsored educational programs: CLE seminars (31) and mini-CLEs (18) (CLE Team Master Calendar, October 2015)
- **\$101,119** approximate total amount distributed by sections for donations, grants and/or scholarships
- **\$44,517** average fund balance of sections as of August 31, 2016; Range: \$4,091- \$124,236 (Finance, Oct. 2016)
- **\$31,389** average FY16 budgeted expenditures across all sections, including the per-member-charge. Range: \$6,218 - \$96,762 (Finance, Oct. 2016)
- **\$29** average dues amount to join a section in FY16 (range \$20-\$40). Law student rate is \$18.75
- **\$18.75** per member charge in FY16, collected by WSBA to staff and administer services to sections. *Please note the per member charge and law student rate will remain at \$18.75 for FY17*



Note: in addition to references indicated above, this information was gathered using other sources including section annual reports, section financial statements, and relevant WSBA calendars.

Sections Team: Internal Goals & Highlights

The “Sections Team” is made up of three full-time WSBA staff dedicated to the success and support of the WSBA sections via close partnership with the section executive committees. In addition, several other staff members/departments throughout WSBA are called upon for section-related support at different times, including financial/accounting staff, CLE staff, legislative staff and communications staff.

The Sections Team focuses all activities towards the following goals:

- Create active and sustainable sections: As a core service, the Sections Team provides the tools and resources to support active, engaged and sustainable sections.
- Provide valuable benefits to members: As sections carry on the work of the WSBA in service to its members, we work closely with section leaders in conjunction with other WSBA program areas to provide benefits that are high quality and valuable to members (e.g. Mini-CLEs, new lawyer/law school outreach events, newsletters)
- Support a pipeline of future leaders: We not only support the current executive committees, but also support programming designed to increase awareness in the new lawyer community, support current new/young lawyer section members and build a leadership pipeline.
- Facilitate collaboration between sections and other WSBA programs/efforts: including but not limited to, co-sponsorship of seminars with Continuing Legal Education, promotional assistance in support of New Lawyer Education, Executive Committee discussions with Diversity & Inclusion and Equity Specialist Robin Nussbaum, and inclusion of MentorLink opportunities at section events.

Highlights in our work with sections during FY16 include:

- Attended all meetings of the Sections Policy Workgroup to provide feedback and guidance on the Workgroup’s discussions. The Sections Team communicated updates, meeting announcements, and BOG meeting updates to section leaders and section members.
- Created a monthly publication for section leaders called the ‘Sections Bulletin.’ The Bulletin is intended to provide all section leaders with up-to-date information regarding WSBA matters; best practice tips; supplemental resources regarding leadership, diversity, and educational development; and to connect sections with existing and relevant WSBA programs such as LOMAP and WSBA CLE’s new webinar tool.
- Provided individualized support to executive committees, including but not limited to: design and implementation of member surveys; preparation of materials for leadership retreats; event planning; and financial and data analysis.
- Continued support of WSBA’s diversity and inclusion efforts with section leaders, including provision of informational resources on creating inclusive environments, consultation to guide section leadership in their efforts to increase representation in all activities of section work, and presentations to leaders by diversity program staff on the development and implementation of such tools.
- Completed a successful budgeting process, which included intensive review of budget histories and extensive follow-up with sections before budgets were submitted to the Budget & Audit Committee.

- Worked closely with the Washington Young Lawyers Committee to host the “Open Sections Night” networking event, which provided an opportunity for new/young lawyers to mingle with section executive committee members and learn about section benefits.
- Engaged in ongoing collaboration with Legislative, Communications and Finance staff to update materials and processes related to sections.
- Maintained and updated the online “Section Leaders Toolbox,” including new tools and resources to help section leaders implement their activities (e.g., workplan templates, meeting tools, membership data FAQ).

Areas of focus for our work in FY17:

- Working with each section to implement and acclimate to recent WSBA policy and bylaw changes.
- Work with each section to transition current web content to the new WSBA website.
- Develop more streamlined processes and allocation of responsibilities amongst the Sections Team and our closest staff partners.

WSBA 2015-2016 Section Annual Reports (see full reports in Appendix)

Per the WSBA Bylaws, each of the WSBA sections is required to submit an annual report on section activities and priorities to the WSBA Executive Director. Please refer to the Appendix to review each annual report in full.

To date, the following sections have not yet submitted their 2015-2016 Annual Report:

- Business Law

To: WSBA Board of Governors

From: Judy Massong, President

Re: Foundation Annual Report of Activities for FY2016

Date: November 2, 2016

The Washington State Bar Foundation mission is to provide financial support for the programs of the Washington State Bar Association that promote diversity within the legal profession and enhance the public's access to, and understanding of, the justice system. The Foundation is separately incorporated as a Washington state nonprofit, and is recognized as a public charity under section 501(c)(3) of the Internal Revenue Service Code.

The Foundation is a membership organization – the sitting members of the Board of Governors comprise the Foundation's membership. The Foundation Bylaws require the Foundation President to present an annual report to the Members within ninety (90) days after the close of the fiscal year, which ends September 30th. This report is an opportunity for the Members to learn about the Foundation's activities, priorities and direction.

Foundation Highlights

The Foundation focused FY16 on strengthening its connection to the WSBA programs it supports, as well as developing consistent Foundation messaging. These goals were accomplished by having a Foundation presence at existing program events whenever possible, which resulted in greater awareness of the Foundation and its role, and demonstrated good stewardship of resources (as independent, stand-alone events were not being produced).

The Foundation is also putting renewed effort into cultivating donor relationships through personal contact and directed communications, which in the long term should yield positive outcomes. New donor management software will enable the Foundation to better track giving patterns and develop tailored approaches that provide enhanced opportunities for donors to invest in those programs that are of interest to them.

There was also a strong focus on developing program and donation materials to reinforce the Foundation's position and messaging.

Fundraising Highlights

- **2,865** Washington lawyers (7.5%) made a voluntary contribution to the Foundation on their license forms, indicating their support for WSBA's justice and diversity efforts. This percentage represents a slight decrease in support, with 8% of WSBA members contributing in FY15 and 11% contributing in FY14.
- **100%** of the members of the WSBA Board of Governors and Foundation Trustees gave to the Foundation in FY16. The Board of Governors campaign raised \$12,150, a more than a 400% increase over FY15.
- **64** people made a gift to the Foundation at the WSBA APEX Awards dinner – raising more than \$8,000, but representing a marked decrease from FY15.
- The Foundation participated in the Seattle Foundation's GiveBIG community-wide fundraising initiative for the first time, resulting in over **\$6,500** in donations.

Funding Achievements

- **The Foundation awarded \$177,621 to WSBA for FY16 to support public service and diversity programs, representing a 7% increase over FY15**
- The **Moderate Means Program** celebrated five years, during which it has referred over 3,000 family, housing and consumer law cases and engaged more than 758 attorneys in the program. Over 70% of participating attorneys are new and young lawyers, who benefit from the referrals, the opportunity to serve their communities, and also receive access to free public service seminars and training.
- More than 300 attorneys have participated in one or more training or service opportunities and have taken the **WSBA Call to Duty Pledge**, and approximately 90 veterans have received free services from legal professionals at three Day of Service events.
- **WSBA Diversity Programs** held the first **Experience Exchange** mentorship breakfast, at which 16 pairs of mentors and mentees met for episodic mentoring. The event was well-received, with plans to replicate it in other markets in FY17.
- WSBA reached over 250 people through community networking events held across the state, designed to foster connections among WSBA staff, volunteers, members and local communities.
- The Foundation administered scholarship fundraising for three WSBA sections:
 - **\$2,296** was raised and awarded through the **WSBA Elder Law Section's Peter Greenfield Internship Fund**, which placed Gonzaga University law student Meaghann Hess at Columbia Legal Services for the summer to support advocacy on behalf of low income seniors.

- **\$5,000** was raised and awarded through the **WSBA Taxation Section's LL.M. Scholarship Fund** to Georgetown University law student Davis Mills.
- **\$2,750** was raised for six scholarships for students and new lawyers to attend the annual **WSBA Environmental and Land Use Law Section 2016 Midyear Meeting and Conference**.
- The Foundation granted \$2,000 from the **McMahon Fund**, for sponsorship of the University of Washington's "Celebrating Women in the Law" event.

Conclusion and Look Ahead

The Foundation enters FY17 with an energized Board of Trustees, robust WSBA programs to support, active practice sections and student and attorney volunteers, and a strong base of supporters excited about the WSBA's efforts to expand justice, public service and diversity. Continuing outreach to both our loyal and prospective donors and enhancing our communications to link the achievements of WSBA programs with the importance of Foundation gifts will continue to grow the Foundation's financial support of WSBA's public service and diversity goals.



To: Washington State Bar Association Board of Governors
Washington State Bar Foundation Trustees

From: Richard Bird, Treasurer

Re: Treasurer's Report, Year Ending September 30, 2016

Date: November 8, 2016

Attached are the financial statements for the Washington State Bar Foundation for the fiscal year 2016. Below is a summary of the net cash fund balances.

The WSBA provides staffing, office space, and support to the Foundation in order for the Foundation to fulfill its mission to support WSBA programs that promote diversity within the legal profession and enhance the public's access to, and understanding of, the justice system. This support includes the time and expertise of WSBA's Controller, who is the keeper of the Foundation's books.

**WSBF Cash Fund Balances
As of September 30, 2016**

Fund	Balance
ATG/AGO	\$747 ¹
Call to Duty	\$875
Diversity	\$2,935
ELUL Midyear Scholarship	\$1,851 ¹
McMahon	\$8,352
Moderate Means Program	\$1,110
Peter Greenfield Internship	\$2,555
Presidents' and Governors' Diversity Scholarship	\$52,995
WLI General Support	\$25 ¹
WSBA Justice & Diversity Opportunities	\$2,629
Unrestricted	\$185,562
Total Fund Balances	\$259,636

¹ These funds are 100% committed.

Notes and Comments

The Foundation recognized revenue of \$337,497, which was \$31,210 or 8.5% lower than the prior year. The reduction was both in Total Contributions and Grants² and “In-Kind” donations. This reduction was offset by a reduction in expenses from the prior year of \$36,060 or 9.3%. The amount donated to WSBA diversity and public service programs, as well as in-kind expenses were less in FY 2016 than FY 2015. As a result, FY 2016 net income for the Foundation was (\$14,188), which was a \$3,490 or 19.7% improvement over prior year. Although posting another loss for this year, the loss for the Foundation was less than last year.

Conclusion

The Foundation is growing in size and sophistication. Our financial systems and policies appear appropriate to our current capacity. Execution of the Fund Development and Disbursement Policy ensures that the Foundation fulfills its mission and that donor intent is met.

²Note that revenue from FY 2015 included a one-time grant for \$25,000 for an Access to Justice Board project, as well as \$6,900 in individual contributions raised by the Access to Justice Board for the Access to Justice Conference.



Advancing WSBA's Vision of a Just Washington

To: Paula Littlewood and Terra Nevitt

From: Mark Hayes, WSBA Controller

Re: Revised Foundation Financial Statements as of September 30, 2016

Date: November 8, 2016

Attached are the financial statements for the Washington State Bar Foundation as of September 30, 2016. The revised statements include the "in kind" expense and staff support provided by WSBA for the month of September which was previously not available. Below is a summary of the fund balances¹ as of September 30, 2016.

WSBF Fund Balances¹
As of September 30, 2016

Fund Name	Cash	Pledges/Grants Receivable²	Committed Funds	Available Funds
ATG/AGO	747	0	(747)	0
Call to Duty	875	0	0	875
Diversity	2,935	0	0	2,935
ELUL Midyear Scholarship Fund	1,851	0	(1,851)	0
McMahon	8,352	0	0	8,352
Moderate Means	1,110	0	0	1,110
Peter Greenfield Internship	2,555	0	0	2,555
Presidents' and Governors' Diversity Scholarship	52,995	0	0	52,995
WLI General Support	25	0	(25)	0
WSBA Justice & Diversity Opportunities	2,629	0	0	2,629
Unrestricted	<u>185,562</u>	<u>0</u>	<u>0</u>	<u>185,562</u>
Total Fund Balances	<u>\$259,636</u>	<u>\$0</u>	<u>(\$2,623)</u>	<u>\$257,013</u>

¹ Excludes fixed assets (\$14,400 in artwork).

² Funds in this category have not been collected and therefore not yet available for use; although, the uncollected funds are included in the "Available Funds" column. If any of the pledged amounts are not received this will change the funds available and committed balances.

10:47 AM
11/08/16
Accrual Basis

WSBA Foundation
Balance Sheet
As of September 30, 2016

	<u>Sep 30, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
Wells Fargo Checking	209,216
Wells Fargo Heritage Money Mkt	50,420
Total Checking/Savings	<u>259,636</u>
Total Current Assets	259,636
Fixed Assets	
Artwork	14,400
Total Fixed Assets	<u>14,400</u>
TOTAL ASSETS	<u>274,036</u>
LIABILITIES & EQUITY	
Equity	
Increase/Decrease Fund Balance	288,223
Net Income	-14,188
Total Equity	<u>274,036</u>
TOTAL LIABILITIES & EQUITY	<u>274,036</u>

10:46 AM
11/08/16
Accrual Basis

WSBA Foundation
Statement of Activities (Profit & Loss)
October 2015 through September 2016

	<u>Oct '15 - Sep 16</u>
Ordinary Income/Expense	
Income	
Contributions & Grants Income	
Corporate	650
Foundations & Nonprofits	6,380
Individuals/Private Donors	185,224
Contributions & Grants Income - Other	0
Total Contributions & Grants Income	192,254
In Kind Donations	145,243
Total Income	337,497
Expense	
In Kind Expenses	
WSBA Staff Support	132,652
WSBA Expenses	12,592
Total In Kind Expenses	145,243
Credit Card Fees	330
Insurance	916
Licenses and Permits	50
Miscellaneous	381
Program Expense	
ELUL Section Scholarship Fund	3,914
WSBA Justice & Div. Opportunity	2,372
WSBA Funding	162,600
Peter Greenfield Scholarship	2,500
Access to Justice Projects	25,000
McMahon	2,000
Program Expense - Other	5,050
Total Program Expense	203,436
Total Expense	350,356
Net Ordinary Income	-12,859
Other Income/Expense	
Other Income	
Interest Income	160
Total Other Income	160
Other Expense	
Other Expenses	1,489
Total Other Expense	1,489
Net Other Income	-1,329
Net Income	<u><u>-14,188</u></u>

12:34 PM
11/08/16
Cash Basis

WSBA Foundation
Balance Sheet Prev Year Comparison
As of September 30, 2016

	<u>Sep 30, 16</u>	<u>Sep 30, 15</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
Wells Fargo Checking	209,215.81	223,548.42	-14,332.61	-6.4%
Wells Fargo Heritage Money Mkt	50,420.03	50,275.07	144.96	0.3%
Total Checking/Savings	<u>259,635.84</u>	<u>273,823.49</u>	<u>-14,187.65</u>	<u>-5.2%</u>
Total Current Assets	<u>259,635.84</u>	<u>273,823.49</u>	<u>-14,187.65</u>	<u>-5.2%</u>
Fixed Assets				
Artwork	14,400.00	14,400.00	0.00	0.0%
Total Fixed Assets	<u>14,400.00</u>	<u>14,400.00</u>	<u>0.00</u>	<u>0.0%</u>
TOTAL ASSETS	<u>274,035.84</u>	<u>288,223.49</u>	<u>-14,187.65</u>	<u>-4.9%</u>
LIABILITIES & EQUITY				
Equity				
Increase/Decrease Fund Balance	288,223.49	305,901.42	-17,677.93	-5.8%
Net Income	-14,187.65	-17,677.93	3,490.28	19.7%
Total Equity	<u>274,035.84</u>	<u>288,223.49</u>	<u>-14,187.65</u>	<u>-4.9%</u>
TOTAL LIABILITIES & EQUITY	<u>274,035.84</u>	<u>288,223.49</u>	<u>-14,187.65</u>	<u>-4.9%</u>

10:28 AM
11/08/16
Cash Basis

WSBA Foundation
Profit & Loss Prev Year Comparison
October 2015 through September 2016

	Oct '15 - Sep 16	Oct '14 - Sep 15	\$ Change
Ordinary Income/Expense			
Income			
Contributions & Grants Income			
Corporate	650.00	166.66	483.34
Foundations & Nonprofits	6,379.79	25,750.00	-19,370.21
Individuals/Private Donors	185,223.89	181,953.26	3,270.63
Contributions & Grants Income - Other	0.00	0.00	0.00
Total Contributions & Grants Income	192,253.68	207,869.92	-15,616.24
In Kind Donations	145,243.40	160,837.20	-15,593.80
Total Income	337,497.08	368,707.12	-31,210.04
Expense			
In Kind Expenses			
WSBA Staff Support	132,651.74	145,198.04	-12,546.30
WSBA Expenses	12,591.66	15,639.16	-3,047.50
Total In Kind Expenses	145,243.40	160,837.20	-15,593.80
Credit Card Fees	330.09	97.48	232.61
Dues	0.00	150.00	-150.00
Insurance	916.00	0.00	916.00
Licenses and Permits	50.00	50.00	0.00
Miscellaneous	380.79	876.06	-495.27
Program Expense			
ELUL Section Scholarship Fund	3,914.00	0.00	3,914.00
WSBA Justice & Div. Opportunity	2,371.86	3,650.00	-1,278.14
WSBA Funding	162,600.00	207,455.47	-44,855.47
Peter Greenfield Scholarship	2,500.00	4,200.00	-1,700.00
Access to Justice Projects	25,000.00	6,900.00	18,100.00
McMahon	2,000.00	2,200.00	-200.00
Program Expense - Other	5,050.00	0.00	5,050.00
Total Program Expense	203,435.86	224,405.47	-20,969.61
Total Expense	350,356.14	386,416.21	-36,060.07
Net Ordinary Income	-12,859.06	-17,709.09	4,850.03
Other Income/Expense			
Other Income			
Interest Income	160.22	31.16	129.06
Total Other Income	160.22	31.16	129.06
Other Expense			
Other Expenses	1,488.81	0.00	1,488.81
Total Other Expense	1,488.81	0.00	1,488.81
Net Other Income	-1,328.59	31.16	-1,359.75
Net Income	-14,187.65	-17,677.93	3,490.28

10:28 AM
11/08/16
Cash Basis

WSBA Foundation **Profit & Loss Prev Year Comparison** October 2015 through September 2016

	<u>% Change</u>
Ordinary Income/Expense	
Income	
Contributions & Grants Income	
Corporate	290.0%
Foundations & Nonprofits	-75.2%
Individuals/Private Donors	1.8%
Contributions & Grants Income - Other	0.0%
Total Contributions & Grants Income	-7.5%
In Kind Donations	-9.7%
Total Income	-8.5%
Expense	
In Kind Expenses	
WSBA Staff Support	-8.6%
WSBA Expenses	-19.5%
Total In Kind Expenses	-9.7%
Credit Card Fees	238.6%
Dues	-100.0%
Insurance	100.0%
Licenses and Permits	0.0%
Miscellaneous	-56.5%
Program Expense	
ELUL Section Scholarship Fund	100.0%
WSBA Justice & Div. Opportunity	-35.0%
WSBA Funding	-21.6%
Peter Greenfield Scholarship	-40.5%
Access to Justice Projects	262.3%
McMahon	-9.1%
Program Expense - Other	100.0%
Total Program Expense	-9.3%
Total Expense	-9.3%
Net Ordinary Income	27.4%
Other Income/Expense	
Other Income	
Interest Income	414.2%
Total Other Income	414.2%
Other Expense	
Other Expenses	100.0%
Total Other Expense	100.0%
Net Other Income	-4,363.8%
Net Income	19.7%



2016 COMMUNITY SERVICE PROJECT VOTER ENGAGEMENT

Seattle, WA September 1, 2016– The Washington Leadership Institute graduates of 2016 are releasing two short videos aimed at boosting voting and voter registration within minority communities and of formerly incarcerated citizens of Washington State.

In Washington, only a small percentage of people of color turn out to vote, despite the fact that minority groups are growing at a far greater rate than the white population. These videos are meant to inspire and educate members of historically disenfranchised communities about the importance of voting. One video focuses on persons of color, immigrant communities, and members of religious backgrounds that have been historically disenfranchised. The other video is intended to educate people with felony records about their voting rights and how to have them reinstated.

These videos feature Washington residents that want to encourage people in underrepresented communities to vote in order to have their voices heard and take part in electing government officials that will better reflect our State's diverse population. Toshiko Hasegawa makes this point by saying, "When we take the personal responsibility to turn out at the polls, those people who have been historically marginalized can be the margin of victory."

These videos are available on www.diversevotes.org and <http://www.facebook.com/diversevotes>.

HOW WE EXECUTED OUR PROJECT

WLI Fellows created a detailed plan for obtaining community partnerships, producing and editing videos, conducting background research, distributing video distribution and measuring our reach/impact. We connected with community members from Western Washington and Spokane to appear in the video. With the support of a professional videographer we secured, we taped interviews in June. In post-production, we collected images and music with permissive usage rights. The videos were also screened by intellectual property attorney as well. We produced a website and established a Facebook page for ease of distribution. We then reconnected with the community based organizations to launch our campaign with a press release.

2016 WLI Fellows:

Mubarek F. Abdur Raheem, Dua M. Abudiab, Mary C. Anderson, Marsha Chien, Heather L. DeBlieck, Raymond L. Delos Reyes, Khalia Gibson Davis, Mimi Hunter, Ailene M. Limric, Jenna J. Nand, Jamila E. Taylor, and Stephan M. Thomas

QUICK STATS ABOUT THE REACH OF THE VIDEOS



Video #1: Diverse Votes

Facebook

- Engagement via 9/8 and 10/9 Post Reach: 27,500+ people
- Engagement via Post clicks: 1,673
- Engagement via Reactions/comments & shares: 586
- Video Views: 12,888 with 9,729 unique views

Diversevotes.org Video Plays

- Vimeo plays: 678 plays



Video #2: Felon Voting Rights Restoration

Facebook

- Engagement via 9/10 and 9/27 Post Reach: 22,500+ people
- Engagement via Post clicks: 1,141
- Engagement via Reactions/comments & shares: 473
- Video Views: 9,702 with 7,726 unique views

Diversevotes.org Video Plays

- Vimeo plays: 414 plays

PARTIAL LIST OF ORGANIZATIONS AND INDIVIDUALS WHO SHARED THE VIDEO POSTS VIA FACEBOOK:

- | | | |
|---|---|---|
| • Justice Mary Yu, WLI Board Co-Chair | • Filipino Lawyers of Washington | • Seattle Alumnae Chapter of Delta Sigma Theta Sorority, Inc. |
| • Robin Hayes, WSBA President-elect; | • Jennifer Smolen 38th LD | • Washington State Association for Justice |
| • Ron Ward, Former WSBA President/WLI Founder | • Mothers for Police Accountability | • ACLU of Washington |
| • David Keenan, KC Superior Court candidate | • BlackPast.org | • Columbia Legal Services |
| • Nicole Gaines-Phelps, KC Superior Court candidate | • WSA Head Start and ECEAP | |
| • WA Citizens for a DOC Ombuds | • NFALA - National Filipino American Lawyers Association | |
| | • UNIA Universal Negro Improvement Association of NW Ohio/SE Michigan | |

VIDEO(S) SHOWN AT EVENTS HOSTED BY:

- | | |
|--|----------------------|
| • Filipino Lawyers of Washington – Annual Gala | • Center For Justice |
| • Delta Sigma Theta Sorority, Inc. Seattle Alumnae Chapter | • I Did the Time |
| • Alpha Kappa Alpha Sorority, Inc. Seattle Alumnae Chapter | |

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WASHINGTON LEADERSHIP INSTITUTE



About WLI

The Washington Leadership Institute ("WLI") is a leadership development program created in 2004 by the WSBA Board of Governors at the behest of then president Ronald H. Ward. It is a collaborative leadership program between the Washington State Bar Association and the University of Washington School of Law (UW Law). The program operates under the direction of a Board of Advisors and provides monthly training sessions to participants ("Fellows"). The sessions include topics such as the "nuts and bolts" of law practice, leadership styles, the judiciary, and the legislative process. A WSBA Leadership Institute Fellow is afforded numerous opportunities to personally interact with legal, judicial, and political leaders.

Our Mission

The mission of the Washington Leadership Institute (WLI) is to recruit, train, & develop traditionally underrepresented attorneys for future leadership positions in the Washington State Bar Association and legal community. The program strives to recruit Fellows for each class who reflect the full diversity of our state, which includes race, ethnicity, gender, sexual orientation, disability, and geographic location.

Program Benefits

The WLI provides the Fellows with numerous opportunities to personally interact with legal, judicial, and political leaders. The program offers a unique combination of benefits:

- The program is a no-cost endeavor for Fellows because all travel, lodging and meals, are covered
- No tuition fee
- CLE credits, enough to satisfy approximately 3 full years of MCLE requirements — at no cost
- Exposure to practice and industry leaders
- Training in the law, courts, and the Bar
- One-on-one interaction with judges
- Mentorship from well-known bar leaders

Curriculum

There are three components to the WLI Leadership Institute:

- **SESSIONS:** The program is composed of eight educational sessions which run from January through August of each year. Fellows devote approximately 60 hours to the WLI CLE curriculum.
- **COMMUNITY SERVICE PROJECT:** Each class sets aside time to be involved with the preparation and execution of a WLI community service project. Fellows devote approximately 30 hours to the project.
- **ONE YEAR OF SERVICE:** Following graduation from the WLI, each Fellow is expected to serve on a WSBA or WSBA-related committee, section, minority, or specialty bar association

Notable Guest Speakers

There have been over a hundred speakers who have given their time and expertise to the program. Below are just a few of the attorneys and public servants who have spoken and taught at the Institute:

- **JUSTICE MARY FAIRHURST**, Washington Supreme Court
- **JUDGE RICHARD JONES**, U.S. District Court
- **LUCY HELM**, General Counsel to Starbucks Coffee Company
- **ERIC LIU**, Author and speech writer for former President Bill Clinton
- **JUDGE RICARDO MARTINEZ**, U.S. District Court
- **FRED RIVERA**, Managing Partner, Perkins Coie Seattle Office
- **JEFFREY ROBINSON**, Schroeter Goldmark and Bender
- **KELLYE Y. TESTY**, Dean, University of Washington Law School

UNIVERSITY of WASHINGTON | SCHOOL OF LAW

WASHINGTON LEADERSHIP INSTITUTE

WASHINGTON STATE BAR ASSOCIATION



Who Can Apply?

Attorneys who have been admitted to practice law in a U.S. jurisdiction for at least three years and not more than ten years are eligible to apply.

All applicants must:

- Be an active member of the WSBA
- Be nominated by his/her employer, or if self-employed, by a lawyer with at least 10 years of practice or a judge.
- Attend and participate in all eight sessions in order to graduate from the program.

For More Information

DAWN BELL, WLI COORDINATOR

University of Washington School of Law
William H. Gates Hall
Box 353020
Seattle, WA 98195-3020
206.543.2586
belld3@uw.edu

2016 Fellows

Mubarak F. Abdur Raheem	Heather L. DeBlieck
Dua M. Abudiab	Raymond L. Delos Reyes
Mary C. Anderson	Mimi Hunter
Marsha J. Chien	Ailene M. Limric
Khalia Gibson Davis	Jenna J. Nand

Advisory Board

WLI FOUNDER

Ronald R. Ward

CO-CHAIRS

Hon. Mary I. Yu

James Williams

OTHER BOARD MEMBERS

WSBA President	Karen Lee
Jeffery Beaver	Hon. Lorraine Lee
Hon. Bobbe Bridge (Ret.)	Diankha L. Linear
Dean Annette Clark	Felix G. Luna
Hon. Mary Fairhurst	Hon. Ricardo S. Martinez
Hon. Steven González	Hon. Susan J. Owens
Nancy Isserlis	Frederick (Fred) B. Rivera
Zabrina Jenkins	Craig A. Sims
Dean Jane Korn	Dean Kellye Y. Testy
Victor Lara	Karen Denise Wilson



UNIVERSITY OF WASHINGTON SCHOOL OF LAW

William H. Gates Hall

Box 353020

Seattle, WA 98195-3020

Tel: 206.543.2586 * Fax 206.616.1365

www.law.uw.edu/Career/WLI/default.aspx



TO: Board of Governors

FROM: Joy Williams, WSBA Diversity Program Manager
Robin Nussbaum, WSBA Inclusion & Equity Specialist

RE: Diversity and Inclusion Events

DATE: November 7, 2016

WSBA Diversity and Inclusion Events

Education, Collaboration, and Partnership

Working closely with staff, volunteers and community partners throughout the legal community is foundational to the successful implementation of the diversity plan. WSBA participates in and provides a variety of opportunities to increase cross-cultural competency, awareness and engagement. Your participation communicates WSBA's commitment to representation and involvement in advancing inclusion.

Diversity & Inclusion Events for WSBA Staff and Volunteers			
When	What	How You Can Help	Who To Contact for More Info
Monday, December 12	Continuing the Conversation for Staff Masculinity	FYI only	Robin N.

Washington State Minority Bar Association and other Diversity Events			
When	What	How You Can Help	Who To Contact for More Info
Friday, January 13	King County Bar Association Martin Luther King Annual Luncheon	Attend	Joy W.
January TBD	Middle Eastern Legal Association of Washington (MELAW) Annual Dinner	Attend	Joy W.
Tuesday, January 24	WSBA Diversity Stakeholders Meeting	Attend	Joy W.

Contact Information

Joy: joyw@wsba.org or 206.733.5952

Robin: robinn@wsba.org or 206.727.8322

Margaret: margarets@wsba.org or 206.727.8244

Frances: francesd@wsba.org or 206.727.8222

Terra: terran@wsba.org or 206.727.8282



WSBA Financial Reports

(Unaudited)

Year to Date August 31, 2016

Prepared by Tiffany Lynch, Controller

Submitted by

Ann Holmes, Chief Operations Officer

September 29, 2016

Washington State Bar Association Financial Summary
Year to Date as of August 31, 2016 91.67% of Year
Compared to Fiscal Year 2016 Budget

Category	Actual Revenues	Budgeted Revenues	Actual Indirect Expenses	Budgeted Indirect Expenses	Actual Direct Expenses	Budgeted Direct Expenses	Actual Total Expenses	Budgeted Total Expenses	Actual Net Result	Budgeted Net Result
Access to Justice Board	1,400	-	184,231	220,331	17,922	28,815	202,153	249,146	(200,753)	(249,146)
Administration	178,965	78,000	923,816	998,782	795	9,925	924,611	1,008,707	(745,646)	(930,707)
Admissions/Bar Exam	1,245,833	1,221,920	719,681	784,183	255,259	385,500	974,940	1,169,683	270,893	52,237
Board of Governors	-	-	442,758	463,523	268,349	293,480	711,107	757,003	(711,107)	(757,003)
Communications	110	45,250	1,353,328	1,482,217	55,749	119,382	1,409,077	1,601,599	(1,408,967)	(1,556,349)
Discipline	149,479	106,750	4,817,454	5,271,212	190,122	274,954	5,007,576	5,546,166	(4,858,097)	(5,439,416)
Diversity	93,519	98,592	354,520	430,955	13,280	21,200	367,800	452,155	(274,281)	(353,563)
Foundation	-	-	120,811	148,550	7,880	20,400	128,691	168,950	(128,691)	(168,950)
Human Resources	-	-	322,399	247,159	-	-	322,399	247,159	(322,399)	(247,159)
Law Clerk Program	99,575	92,400	54,062	68,514	6,134	7,550	60,196	76,064	39,379	16,336
Law Office Management Asst.Prog	5,749	6,500	277,761	350,280	3,934	8,095	281,696	358,375	(275,946)	(351,875)
Lawyers Assistance Program	11,730	18,000	113,808	119,607	35,102	46,770	148,910	166,377	(137,180)	(148,377)
Legislative	-	-	169,986	235,965	34,280	53,252	204,265	289,217	(204,265)	(289,217)
Licensing Fees	11,720,731	12,545,000	-	-	-	-	-	-	11,720,731	12,545,000
License and Membership Records	245,320	275,500	457,987	517,561	34,996	23,000	492,983	540,561	(247,663)	(265,061)
Limited License Legal Technician	8,673	11,325	155,098	178,583	35,447	49,100	190,545	227,683	(181,872)	(216,358)
Limited Practice Officers	125,539	130,700	170,911	180,412	7,178	7,100	178,089	187,512	(52,550)	(56,812)
Mandatory CLE	787,510	699,000	461,948	574,096	95,122	112,820	557,070	686,916	230,440	12,084
Member Benefits	16,465	3,000	-	-	68,056	73,000	68,056	73,000	(51,591)	(70,000)
Mentorship Program	-	-	123,347	163,009	1,582	23,558	124,929	186,567	(124,929)	(186,567)
New Lawyer Education	61,403	125,000	241,007	295,679	30,191	35,240	271,198	330,919	(209,795)	(205,919)
NW Lawyer	461,370	567,450	199,840	225,778	348,411	391,700	548,251	617,478	(86,881)	(50,028)
Office of General Counsel	411	-	609,101	665,812	7,496	20,700	616,597	686,512	(616,186)	(686,512)
OGC-Disciplinary Board	-	-	171,069	187,924	129,789	111,000	300,858	298,924	(300,858)	(298,924)
Practice of Law Board	-	-	72,382	78,014	13,993	4,100	86,375	82,114	(86,375)	(82,114)
Professional Responsibility Program	-	-	144,310	170,683	4,035	6,500	148,345	177,183	(148,345)	(177,183)
Public Service Programs	72,400	85,000	235,790	276,782	181,478	219,979	417,268	496,761	(344,868)	(411,761)
Sections Administration	318,525	311,250	355,788	407,188	10,104	11,100	365,892	418,288	(47,367)	(107,038)
Technology	-	-	1,267,608	1,551,997	-	-	1,267,608	1,551,997	(1,267,608)	(1,551,997)
Subtotal General Fund	15,604,705	16,420,637	14,520,801	16,294,796	1,856,683	2,358,220	16,377,484	18,653,016	(772,778)	(2,232,379)
Expenses using reserve funds							16,377,484		12,329	11,772
Total General Fund - Net Result from Operations									(760,449)	(2,220,607)
Percentage of Budget	95.03%		89.11%		78.73%		87.80%			
CLE-Products	984,692	824,750	461,505	526,765	150,897	162,393	612,402	689,158	372,289	135,592
CLE-Seminars	1,369,239	1,613,500	780,088	1,010,827	559,177	729,203	1,339,265	1,740,030	29,974	(126,530)
Total CLE	2,353,931	2,438,250	1,241,593	1,537,592	710,074	891,596	1,951,668	2,429,188	402,263	9,062
Percentage of Budget	96.54%		80.75%		79.64%		80.34%			
Total All Sections	683,501	680,712	-	-	666,724	882,915	666,724	882,915	16,777	(202,203)
Lawyers Fund for Client Protection-Restricted	994,280	946,500	117,495	129,284	276,996	502,525	394,491	631,809	599,789	314,691
Western States Bar Conference	49,759	50,000	-	-	50,017	50,000	50,017	50,000.00	(258)	-
Totals	19,686,177	20,536,099	15,879,889	17,961,672	3,560,495	4,685,256.58	19,440,384	22,646,929	245,792	(2,110,830)
Percentage of Budget	95.86%		88.41%		75.99%		85.84%			

Summary of Fund Balances:	Fund Balances Sept. 30, 2015	Fund Balances Year to date	2016 Budgeted Fund Balances
Restricted Funds:			
Lawyers Fund for Client Protection	2,144,289	2,744,078	2,458,980
Western States Bar Conference	11,113	10,855	11,113
Board-Designated Funds (Non-General Fund):			
CLE Fund Balance	53,090	455,353	62,151
Section Funds	1,229,705	1,246,482	1,027,502
Board-Designated Funds (General Fund):			
Operating Reserve Fund	1,500,000	1,500,000	1,500,000
Facilities Reserve Fund	3,286,096	2,525,647	1,065,489
Capital Reserve Fund	262,645	250,316	250,873
Board Program Reserve Fund	53,793	53,793	53,793
Unrestricted Funds (General Fund):			
Unrestricted General Fund	-	-	-
Total Fund Balance	8,540,731	8,786,523	6,429,901
Net Change In Fund Balance		245,792	(2,110,830)



To: Board of Governors
Budget and Audit Committee

From: Tiffany Lynch, Controller

Re: Key Financial Benchmarks for the Fiscal Year to Date (YTD) through August 31, 2016

Date: September 29, 2016

	% of Year	Current Year % YTD	Current Year \$ Difference ¹	Prior Year YTD	Comments
Salaries	91.67%	88.78%	\$313,620 (Under budget)	89.74%	Expected to be on or slightly under budget
Benefits	91.67%	84.53%	\$267,144 (Under budget)	86.89%	Expected to be slightly under budget (due to open positions)
Other Indirect Expenses	91.67%	91.55%	\$3,816 (Under budget)	101.02%	Expected to be on or slightly over (due to renovation related expenses)
Total Indirect Expenses	91.67%	88.41%	\$584,580 (Under budget)	91.16%	Expected to be on or slightly over (due to renovation related expenses)

General Fund Revenues	91.67%	95.03%	\$552,455 (Over budget)	95.49%	Expected to be on budget
General Fund Direct Expenses	91.67%	78.73%	\$305,019 (Under budget)	79.29%	Expected to be on or slightly under budget

CLE Revenue	91.67%	96.54%	\$118,868 (Over budget)	89.19%	Expected to be on budget
CLE Direct Expenses	91.67%	79.64%	\$107,222 (Under budget)	100.81%	Expected to be on budget (will increase consistent with revenue increase)
CLE Indirect Expenses	91.67%	80.75%	\$167,866 (Under budget)	86.33%	Expected to be under budget (due to open positions)

¹ Dollar difference is calculated based on pro-rated budget figures (total annual budget figures divided by 12 months) minus actual revenue and expense amounts as of August 31, 2016 (11 months into the fiscal year).

Washington State Bar Association

Statement of Activities

For the Period from August 1, 2016 to August 31, 2016

91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
LICENSE FEES					
REVENUE:					
LICENSE FEES	<u>12,545,000.00</u>	<u>1,082,529.26</u>	<u>11,720,730.73</u>	<u>824,269.27</u>	<u>93.43%</u>
TOTAL REVENUE:	<u><u>12,545,000.00</u></u>	<u><u>1,082,529.26</u></u>	<u><u>11,720,730.73</u></u>	<u><u>824,269.27</u></u>	<u><u>93.43%</u></u>

Washington State Bar Association
Statement of Activities
For the Period from August 1, 2016 to August 31, 2016
91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
ACCESS TO JUSTICE BOARD					
REVENUE:					
CONFERENCES & INSTITUTES	-	-	1,400.00	(1,400.00)	
TOTAL REVENUE:	-	-	1,400.00	(1,400.00)	
DIRECT EXPENSES:					
ATJ BOARD RETREAT	2,000.00	-	1,062.81	937.19	53.14%
LEADERSHIP TRAINING	2,000.00	-	-	2,000.00	0.00%
ATJ BOARD EXPENSE	11,000.00	1,051.69	8,837.96	2,162.04	80.35%
ATJ BOARD COMMITTEES EXPENSE	6,000.00	238.35	3,661.30	2,338.70	61.02%
CONSULTING SERVICES	5,000.00	-	-	5,000.00	0.00%
STAFF TRAVEL/PARKING	1,165.00	146.00	673.50	491.50	57.81%
STAFF MEMBERSHIP DUES	150.00	-	-	150.00	0.00%
SUBSCRIPTIONS	-	-	427.50	(427.50)	
RECEPTION/FORUM EXPENSE	1,500.00	-	3,258.71	(1,758.71)	217%
TOTAL DIRECT EXPENSES:	28,815.00	1,436.04	17,921.78	10,893.22	62.20%
INDIRECT EXPENSES:					
SALARY EXPENSE (1.90 FTE)	129,853.00	16,786.40	103,042.66	26,810.34	79.35%
BENEFITS EXPENSE	46,529.00	4,155.73	40,807.66	5,721.34	87.70%
OTHER INDIRECT EXPENSE	43,949.00	3,226.24	40,380.72	3,568.28	91.88%
TOTAL INDIRECT EXPENSES:	220,331.00	24,168.37	184,231.04	36,099.96	83.62%
TOTAL ALL EXPENSES:	249,146.00	25,604.41	202,152.82	46,993.18	81.14%
NET INCOME (LOSS):	(249,146.00)	(25,604.41)	(200,752.82)		

Washington State Bar Association

Statement of Activities

For the Period from August 1, 2016 to August 31, 2016

91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
ADMINISTRATION					
REVENUE:					
INTEREST INCOME	28,000.00	1,293.70	30,441.21	(2,441.21)	108.72%
GAIN/LOSS ON INVESTMENTS	50,000.00	8,810.70	148,338.62	(98,338.62)	296.68%
MISCELLANEOUS	-	(1,076.00)	184.92	(184.92)	
TOTAL REVENUE:	78,000.00	9,028.40	178,964.75	(100,964.75)	229.44%
DIRECT EXPENSES:					
CREDIT CARD MERCHANT FEES	7,000.00	248.23	(1,101.77)	8,101.77	-15.74%
STAFF TRAVEL/PARKING	2,500.00	-	1,214.00	1,286.00	48.56%
STAFF MEMBERSHIP DUES	425.00	-	260.00	165.00	61.18%
MISCELLANEOUS	-	-	422.87	(422.87)	
TOTAL DIRECT EXPENSES:	9,925.00	248.23	795.10	9,129.90	8.01%
INDIRECT EXPENSES:					
SALARY EXPENSE (7.91 FTE)	609,726.00	48,458.02	578,198.97	31,527.03	94.83%
BENEFITS EXPENSE	206,091.00	15,299.44	177,955.33	28,135.67	86.35%
OTHER INDIRECT EXPENSE	182,965.00	13,404.40	167,661.27	15,303.73	91.64%
TOTAL INDIRECT EXPENSES:	998,782.00	77,161.86	923,815.57	74,966.43	92.49%
TOTAL ALL EXPENSES:	1,008,707.00	77,410.09	924,610.67	84,096.33	91.66%
NET INCOME (LOSS):	(930,707.00)	(68,381.69)	(745,645.92)		

Washington State Bar Association

Statement of Activities

For the Period from August 1, 2016 to August 31, 2016

91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
ADMISSIONS/BAR EXAMS					
REVENUE:					
EXAM SOFT REVENUE	42,000.00	24,747.73	36,997.73	5,002.27	88.09%
BAR EXAM FEES	1,170,000.00	31,545.00	1,168,480.00	1,520.00	99.87%
SPECIAL ADMISSIONS	9,920.00	5,580.00	40,355.00	(30,435.00)	406.80%
TOTAL REVENUE:	1,221,920.00	61,872.73	1,245,832.73	(23,912.73)	101.96%
DIRECT EXPENSES:					
FACILITY, PARKING, FOOD	80,000.00	40.00	66,745.36	13,254.64	83.43%
EXAMINER FEES	32,500.00	-	34,500.00	(2,000.00)	106.15%
UBE EXMINATIONS	140,000.00	3,696.00	45,912.00	94,088.00	32.79%
BOARD OF BAR EXAMINERS	25,000.00	1,375.13	9,344.34	15,655.66	37.38%
BAR EXAM PROCTORS	30,000.00	14,191.00	27,647.00	2,353.00	92.16%
CHARACTER & FITNESS BOARD	18,000.00	1,798.11	16,162.54	1,837.46	89.79%
DISABILITY ACCOMMODATIONS	18,000.00	4,810.52	17,703.55	296.45	98.35%
CHARACTER & FITNESS INVESTIGATIONS	1,000.00	-	562.83	437.17	56.28%
LAW SCHOOL VISITS	600.00	35.00	872.33	(272.33)	145.39%
COURT REPORTERS	15,000.00	1,828.97	12,386.07	2,613.93	82.57%
DEPRECIATION-SOFTWARE	10,000.00	-	9,942.23	57.77	99.42%
POSTAGE	1,500.00	471.51	2,867.84	(1,367.84)	191.19%
STAFF TRAVEL/PARKING	12,500.00	3,212.71	8,965.29	3,534.71	71.72%
STAFF MEMBERSHIP DUES	200.00	-	200.00	-	100.00%
SUPPLIES	1,200.00	291.37	1,447.44	(247.44)	120.62%
TOTAL DIRECT EXPENSES:	385,500.00	31,750.32	255,258.82	130,241.18	66.21%
INDIRECT EXPENSES:					
SALARY EXPENSE (6.92 FTE)	458,058.00	38,448.30	430,824.15	27,233.85	94.05%
BENEFITS EXPENSE	166,060.00	12,168.92	142,344.40	23,715.60	85.72%
OTHER INDIRECT EXPENSE	160,065.00	11,702.70	146,512.53	13,552.47	91.53%
TOTAL INDIRECT EXPENSES:	784,183.00	62,319.92	719,681.08	64,501.92	91.77%
TOTAL ALL EXPENSES:	1,169,683.00	94,070.24	974,939.90	194,743.10	83.35%
NET INCOME (LOSS):	52,237.00	(32,197.51)	270,892.83		

Washington State Bar Association

Statement of Activities

For the Period from August 1, 2016 to August 31, 2016

91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
BOG/OED					
REVENUE:					
TOTAL REVENUE:	-	-	-	-	
DIRECT EXPENSES:					
BOG MEETINGS	120,000.00	40,414.96	122,722.48	(2,722.48)	102.27%
BOG COMMITTEES' EXPENSES	30,000.00	2,797.28	31,422.91	(1,422.91)	104.74%
WASHINGTON LEADERSHIP INSTITUTE	60,000.00	-	60,000.00	-	100.00%
BOG CONFERENCE ATTENDANCE	16,500.00	1,145.20	12,052.55	4,447.45	73.05%
BOG TRAVEL & OUTREACH	50,000.00	333.05	26,561.30	23,438.70	53.12%
ED TRAVEL & OUTREACH	5,000.00	830.33	5,016.34	(16.34)	100.33%
BOG ELECTIONS	5,000.00	-	3,976.59	1,023.41	79.53%
STAFF TRAVEL/PARKING	4,000.00	328.00	4,058.00	(58.00)	101.45%
STAFF MEMBERSHIP DUES	1,680.00	-	1,672.10	7.90	99.53%
TELEPHONE	1,300.00	-	866.50	433.50	66.65%
TOTAL DIRECT EXPENSES:	293,480.00	45,848.82	268,348.77	25,131.23	91.44%
INDIRECT EXPENSES:					
SALARY EXPENSE (2.45 FTE)	315,529.00	26,460.22	312,384.87	3,144.13	99.00%
BENEFITS EXPENSE	91,324.00	6,689.29	78,292.95	13,031.05	85.73%
OTHER INDIRECT EXPENSE	56,670.00	4,185.19	52,080.00	4,590.00	91.90%
TOTAL INDIRECT EXPENSES:	463,523.00	37,334.70	442,757.82	20,765.18	95.52%
TOTAL ALL EXPENSES:	757,003.00	83,183.52	711,106.59	45,896.41	93.94%
NET INCOME (LOSS):	(757,003.00)	(83,183.52)	(711,106.59)		

Washington State Bar Association

Statement of Activities

For the Period from August 1, 2016 to August 31, 2016

91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
COMMUNICATIONS					
REVENUE:					
AWARDS LUNCH/DINNER	45,000.00	-	(840.00)	45,840.00	-1.87%
50 YEAR MEMBER TRIBUTE LUNCH	250.00	-	810.00	(560.00)	324.00%
WSBA LOGO MERCHANDISE SALES	-	-	140.00	(140.00)	
TOTAL REVENUE:	45,250.00	-	110.00	45,140.00	0.24%
DIRECT EXPENSES:					
IMAGE LIBRARY	4,000.00	-	4,099.00	(99.00)	102.48%
BAR OUTREACH	1,000.00	-	1,110.54	(110.54)	111.05%
ABA DELEGATES	5,600.00	1,495.37	1,975.38	3,624.62	35.27%
ANNUAL CHAIR MTGS	600.00	-	169.50	430.50	28.25%
AWARDS DINNER	55,000.00	-	5,617.50	49,382.50	10.21%
50 YEAR MEMBER TRIBUTE LUNCH	5,800.00	-	7,502.85	(1,702.85)	129.36%
JUD RECOMMEND COMMITTEE	5,000.00	-	4,782.95	217.05	95.66%
PROFESSIONALISM	1,000.00	-	636.88	363.12	63.69%
ONLINE EXPENSES	-	-	303.20	(303.20)	
COMMUNICATIONS OUTREACH	17,000.00	1,160.41	4,632.47	12,367.53	27.25%
TRANSLATION SERVICES	2,500.00	422.65	3,333.80	(833.80)	133.35%
DEPRECIATION	2,712.00	227.00	2,482.00	230.00	91.52%
EQUIPMENT, HARDWARE & SOFTWARE	1,520.00	-	831.48	688.52	54.70%
STAFF TRAVEL/PARKING	4,500.00	927.36	7,023.40	(2,523.40)	156.08%
STAFF MEMBERSHIP DUES	1,950.00	310.00	1,566.00	384.00	80.31%
SUBSCRIPTIONS	7,250.00	43.00	6,678.80	571.20	92.12%
DIGITAL/ONLINE DEVELOPMENT	3,750.00	256.57	2,922.27	827.73	77.93%
CONFERENCE CALLS	200.00	-	81.24	118.76	40.62%
TOTAL DIRECT EXPENSES:	119,382.00	4,842.36	55,749.26	63,632.74	46.70%
INDIRECT EXPENSES:					
SALARY EXPENSE (14.15 FTE)	837,316.00	76,924.88	782,813.50	54,502.50	93.49%
BENEFITS EXPENSE	317,600.00	22,881.22	270,800.17	46,799.83	85.26%
OTHER INDIRECT EXPENSE	327,301.00	23,923.60	299,714.15	27,586.85	91.57%
TOTAL INDIRECT EXPENSES:	1,482,217.00	123,729.70	1,353,327.82	128,889.18	91.30%
TOTAL ALL EXPENSES:	1,601,599.00	128,572.06	1,409,077.08	192,521.92	87.98%
NET INCOME (LOSS):	(1,556,349.00)	(128,572.06)	(1,408,967.08)		

Washington State Bar Association
Statement of Activities
For the Period from August 1, 2016 to August 31, 2016
91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
DISCIPLINE					
REVENUE:					
AUDIT REVENUE	-	191.25	2,197.25	(2,197.25)	
RECOVERY OF DISCIPLINE COSTS	93,750.00	5,335.00	134,598.34	(40,848.34)	143.57%
ETHICS SCHOOL	-	-	150.00	(150.00)	
DISCIPLINE HISTORY SUMMARY	13,000.00	923.83	12,533.17	466.83	96.41%
TOTAL REVENUE:	106,750.00	6,450.08	149,478.76	(42,728.76)	140.03%
DIRECT EXPENSES:					
COURT REPORTERS	75,000.00	2,331.14	37,470.54	37,529.46	49.96%
OUTSIDE COUNSEL/AIC	5,000.00	-	1,335.62	3,664.38	26.71%
LITIGATION EXPENSES	30,000.00	3,403.73	16,756.30	13,243.70	55.85%
DISABILITY EXPENSES	15,000.00	1,000.00	12,977.36	2,022.64	86.52%
ONLINE LEGAL RESEARCH	57,400.00	5,534.99	48,526.60	8,873.40	84.54%
LAW LIBRARY	15,500.00	89.60	5,622.27	9,877.73	36.27%
TRANSLATION SERVICES	4,000.00	120.00	1,459.76	2,540.24	36.49%
DEPRECIATION-SOFTWARE	26,500.00	2,204.00	24,249.00	2,251.00	91.51%
PUBLICATIONS PRODUCTION	-	-	39.40	(39.40)	
STAFF TRAVEL/PARKING	38,500.00	4,446.25	35,512.35	2,987.65	92.24%
STAFF MEMBERSHIP DUES	3,554.00	280.62	3,754.03	(200.03)	105.63%
TELEPHONE	4,500.00	220.22	2,418.46	2,081.54	53.74%
TOTAL DIRECT EXPENSES:	274,954.00	19,630.55	190,121.69	84,832.31	69.15%
INDIRECT EXPENSES:					
SALARY EXPENSE (37.88 FTE)	3,316,555.00	271,981.98	3,088,777.98	227,777.02	93.13%
BENEFITS EXPENSE	1,078,462.00	79,010.10	926,272.07	152,189.93	85.89%
OTHER INDIRECT EXPENSE	876,195.00	64,223.30	802,404.43	73,790.57	91.58%
TOTAL INDIRECT EXPENSES:	5,271,212.00	415,215.38	4,817,454.48	453,757.52	91.39%
TOTAL ALL EXPENSES:	5,546,166.00	434,845.93	5,007,576.17	538,589.83	90.29%
NET INCOME (LOSS):	(5,439,416.00)	(428,395.85)	(4,858,097.41)		

Washington State Bar Association

Statement of Activities

For the Period from August 1, 2016 to August 31, 2016

91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
DIVERSITY					
REVENUE:					
DONATIONS & GRANTS	90,000.00	-	90,200.00	(200.00)	100.22%
SEMINAR REGISTRATIONS	-	-	450.00	(450.00)	
WORK STUDY GRANTS	8,592.00	-	2,869.12	5,722.88	33.39%
TOTAL REVENUE:	98,592.00	-	93,519.12	5,072.88	94.85%
DIRECT EXPENSES:					
STAFF MEMBERSHIP DUES	200.00	-	467.00	(267.00)	233.50%
STAFF TRAVEL/PARKING	4,500.00	30.00	4,458.54	41.46	99.08%
COMMITTEE FOR DIVERSITY	5,000.00	197.47	3,527.39	1,472.61	70.55%
DIVERSITY EVENTS & PROJECTS	5,000.00	316.49	2,961.77	2,038.23	59.24%
SPECIAL EVENTS	5,000.00	-	1,864.93	3,135.07	37.30%
SPEAKERS & PROGRAM DEVELOPMENT	1,000.00	-	-	1,000.00	0.00%
INTERNAL DIVERSITY OUTREACH	500.00	-	-	500.00	0.00%
TOTAL DIRECT EXPENSE:	21,200.00	543.96	13,279.63	7,920.37	62.64%
INDIRECT EXPENSES:					
SALARY EXPENSE (3.60 FTE)	259,443.00	16,364.26	207,746.08	51,696.92	80.07%
BENEFITS EXPENSE	88,241.00	5,696.57	70,606.69	17,634.31	80.02%
OTHER INDIRECT EXPENSE	83,271.00	6,085.36	76,167.22	7,103.78	91.47%
TOTAL INDIRECT EXPENSES:	430,955.00	28,146.19	354,519.99	76,435.01	82.26%
TOTAL ALL EXPENSES:	452,155.00	28,690.15	367,799.62	84,355.38	81.34%
NET INCOME (LOSS):	(353,563.00)	(28,690.15)	(274,280.50)		

Washington State Bar Association
Statement of Activities
For the Period from August 1, 2016 to August 31, 2016
91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
FOUNDATION					
REVENUE:					
TOTAL REVENUE:	-	-	-	-	
DIRECT EXPENSES:					
BOARD OF TRUSTEES	5,000.00	7.31	924.46	4,075.54	18.49%
GRAPHIC DESIGN	1,500.00	-	-	1,500.00	0.00%
CONSULTING SERVICES	3,000.00	-	2,836.00	164.00	94.53%
POSTAGE	1,000.00	-	-	1,000.00	0.00%
PRINTING & COPYING	1,500.00	-	1,071.37	428.63	71.42%
STAFF TRAVEL/PARKING	1,700.00	7.74	1,308.10	391.90	76.95%
STAFF MEMBERSHIP DUES	600.00	-	50.00	550.00	8.33%
SUPPLIES	100.00	76.25	89.76	10.24	89.76%
SPECIAL EVENTS	6,000.00	-	1,600.07	4,399.93	26.67%
TOTAL DIRECT EXPENSES:	20,400.00	91.30	7,879.76	12,520.24	38.63%
INDIRECT EXPENSES:					
SALARY EXPENSE (1.25 FTE)	88,378.00	7,122.66	69,678.37	18,699.63	78.84%
BENEFITS EXPENSE	31,258.00	2,160.10	24,514.94	6,743.06	78.43%
OTHER INDIRECT EXPENSE	28,914.00	2,127.29	26,618.10	2,295.90	92.06%
TOTAL INDIRECT EXPENSES:	148,550.00	11,410.05	120,811.41	27,738.59	81.33%
TOTAL ALL EXPENSES:	168,950.00	11,501.35	128,691.17	40,258.83	76.17%
NET INCOME (LOSS):	(168,950.00)	(11,501.35)	(128,691.17)		

Washington State Bar Association

Statement of Activities

For the Period from August 1, 2016 to August 31, 2016

91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
HUMAN RESOURCES					
REVENUE:					
TOTAL REVENUE:	-	-	-	-	
DIRECT EXPENSES:					
STAFF TRAINING- GENERAL	35,000.00	285.00	10,990.32	24,009.68	31.40%
RECRUITING AND ADVERTISING	7,000.00	631.00	6,242.12	757.88	89.17%
PAYROLL PROCESSING	55,000.00	7,036.22	49,801.15	5,198.85	90.55%
SALARY SURVEYS	2,700.00	871.12	2,161.76	538.24	80.07%
DEPRECIATION	5,016.00	418.00	4,595.00	421.00	91.61%
CONSULTING SERVICES	7,500.00	3,000.00	9,200.00	(1,700.00)	122.67%
PRINTING & COPYING	-	-	21.90	(21.90)	
STAFF TRAVEL/PARKING	250.00	-	102.00	148.00	40.80%
STAFF MEMBERSHIP DUES	720.00	190.00	1,273.00	(553.00)	176.81%
SUBSCRIPTIONS	1,650.00	-	2,072.37	(422.37)	125.60%
SURVEYS	-	-	29.97	(29.97)	
THIRD PARTY SERVICES	13,500.00	-	13,426.02	73.98	99.45%
TRANSFER TO INDIRECT EXPENSE	(128,336.00)	(12,431.34)	(99,915.61)	(28,420.39)	77.85%
TOTAL DIRECT EXPENSES:	-	-	-	-	
INDIRECT EXPENSES:					
SALARY EXPENSE (2.48 FTE)	236,067.00	18,133.46	206,250.43	29,816.57	87.37%
ALLOWANCE FOR OPEN POSITIONS	(120,000.00)	-	-	(120,000.00)	0.00%
BENEFITS EXPENSE	73,728.00	5,439.45	63,505.13	10,222.87	86.13%
OTHER INDIRECT EXPENSE	57,364.00	4,215.67	52,643.12	4,720.88	91.77%
TOTAL INDIRECT EXPENSES:	247,159.00	27,788.58	322,398.68	(75,239.68)	130.44%
TOTAL ALL EXPENSES:	247,159.00	27,788.58	322,398.68	(75,239.68)	130.44%
NET INCOME (LOSS):	(247,159.00)	(27,788.58)	(322,398.68)		

Washington State Bar Association

Statement of Activities

For the Period from August 1, 2016 to August 31, 2016

91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
LAW CLERK PROGRAM					
REVENUE:					
LAW CLERK FEES	90,000.00	100.00	97,475.00	(7,475.00)	108.31%
LAW CLERK APPLICATION FEES	2,400.00	-	2,100.00	300.00	87.50%
TOTAL REVENUE:	92,400.00	100.00	99,575.00	(7,175.00)	107.77%
DIRECT EXPENSES:					
SUBSCRIPTIONS	250.00	250.00	250.00	-	100.00%
CHARACTER & FITNESS INVESTIGATIONS	100.00	-	-	100.00	0.00%
LAW CLERK BOARD EXPENSE	7,200.00	55.57	5,884.11	1,315.89	81.72%
TOTAL DIRECT EXPENSES:	7,550.00	305.57	6,134.11	1,415.89	81.25%
INDIRECT EXPENSES:					
SALARY EXPENSE (0.68 FTE)	37,968.00	3,153.78	28,453.70	9,514.30	74.94%
BENEFITS EXPENSE	14,817.00	1,117.24	11,234.93	3,582.07	75.82%
OTHER INDIRECT EXPENSE	15,729.00	1,146.96	14,373.12	1,355.88	91.38%
TOTAL INDIRECT EXPENSES:	68,514.00	5,417.98	54,061.75	14,452.25	78.91%
TOTAL ALL EXPENSES:	76,064.00	5,723.55	60,195.86	15,868.14	79.14%
NET INCOME (LOSS):	16,336.00	(5,623.55)	39,379.14		

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	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
LAW OFFICE MNGT ASSISTANCE PROGRAM					
REVENUE:					
DIVERSIONS	4,000.00	-	2,463.75	1,536.25	61.59%
LAW OFFICE IN A BOX SALES	2,500.00	270.00	3,285.64	(785.64)	131.43%
TOTAL REVENUE:	6,500.00	270.00	5,749.39	750.61	88.45%
DIRECT EXPENSES:					
LIBRARY MATERIALS/RESOURCES	1,500.00	-	729.04	770.96	48.60%
LAW OFFICE IN A BOX	500.00	63.83	768.45	(268.45)	153.69%
STAFF TRAVEL/PARKING	5,000.00	-	2,163.99	2,836.01	43.28%
STAFF MEMBERSHIP DUES	995.00	-	219.00	776.00	22.01%
CONFERENCE CALLS	100.00	-	53.97	46.03	53.97%
TOTAL DIRECT EXPENSES:	8,095.00	63.83	3,934.45	4,160.55	48.60%
INDIRECT EXPENSES:					
SALARY EXPENSE (3.31 FTE)	198,636.00	7,165.00	154,824.25	43,811.75	77.94%
BENEFITS EXPENSE	75,081.00	3,442.92	52,903.23	22,177.77	70.46%
OTHER INDIRECT EXPENSE	76,563.00	5,590.59	70,033.58	6,529.42	91.47%
TOTAL INDIRECT EXPENSES:	350,280.00	16,198.51	277,761.06	72,518.94	79.30%
TOTAL ALL EXPENSES:	358,375.00	16,262.34	281,695.51	76,679.49	78.60%
NET INCOME (LOSS):	(351,875.00)	(15,992.34)	(275,946.12)		

Washington State Bar Association

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91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
LAWYER ASSISTANCE PROGRAM					
REVENUE:					
DIVERSIONS	18,000.00	-	11,150.00	6,850.00	61.94%
LAP GROUPS REVENUE	-	-	580.00	(580.00)	
TOTAL REVENUE:	18,000.00	-	11,730.00	6,270.00	65.17%
DIRECT EXPENSES:					
PROF LIAB INSURANCE	850.00	-	775.50	74.50	91.24%
MEMBER ASSISTANCE PROGRAM	45,120.00	-	33,840.00	11,280.00	75.00%
PUBLICATIONS PRODUCTION	200.00	-	228.22	(28.22)	114.11%
STAFF MEMBERSHIP DUES	350.00	-	226.00	124.00	64.57%
CONFERENCE CALLS	100.00	-	32.42	67.58	32.42%
MISCELLANEOUS	150.00	-	-	150.00	0.00%
TOTAL DIRECT EXPENSES:	46,770.00	-	35,102.14	11,667.86	75.05%
INDIRECT EXPENSES:					
SALARY EXPENSE (0.87 FTE)	74,959.00	6,268.26	69,907.59	5,051.41	93.26%
BENEFITS EXPENSE	24,524.00	2,207.39	25,540.22	(1,016.22)	104.14%
OTHER INDIRECT EXPENSE	20,124.00	1,469.32	18,360.03	1,763.97	91.23%
TOTAL INDIRECT EXPENSES:	119,607.00	9,944.97	113,807.84	5,799.16	95.15%
TOTAL ALL EXPENSES:	166,377.00	9,944.97	148,909.98	17,467.02	89.50%
NET INCOME (LOSS):	(148,377.00)	(9,944.97)	(137,179.98)		

Washington State Bar Association

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91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
LEGISLATIVE					
REVENUE:					
TOTAL REVENUE:	-	-	-	-	
DIRECT EXPENSES:					
RENT - OLYMPIA OFFICE	8,702.00	724.84	7,973.24	728.76	91.63%
CONTRACT LOBBYIST	28,000.00	-	15,000.00	13,000.00	53.57%
LOBBYIST CONTACT COSTS	1,600.00	112.03	362.29	1,237.71	22.64%
LEGISLATIVE COMMITTEE	5,000.00	35.18	2,174.01	2,825.99	43.48%
BOG LEGISLATIVE COMMITTEE	250.00	-	275.76	(25.76)	110.30%
STAFF TRAVEL/PARKING	3,500.00	209.76	3,876.73	(376.73)	110.76%
STAFF MEMBERSHIP DUES	450.00	120.00	120.00	330.00	26.67%
SUBSCRIPTIONS	2,000.00	-	2,192.97	(192.97)	109.65%
SUPPLIES	750.00	-	113.72	636.28	15.16%
TELEPHONE	3,000.00	(354.35)	2,190.84	809.16	73.03%
TOTAL DIRECT EXPENSES:	53,252.00	847.46	34,279.56	18,972.44	64.37%
INDIRECT EXPENSES:					
SALARY EXPENSE (1.85 FTE)	144,186.00	7,756.50	95,361.72	48,824.28	66.14%
BENEFITS EXPENSE	48,987.00	3,014.59	35,459.21	13,527.79	72.38%
OTHER INDIRECT EXPENSE	42,792.00	3,132.07	39,164.58	3,627.42	91.52%
TOTAL INDIRECT EXPENSES:	235,965.00	13,903.16	169,985.51	65,979.49	72.04%
TOTAL ALL EXPENSES:	289,217.00	14,750.62	204,265.07	84,951.93	70.63%
NET INCOME (LOSS):	(289,217.00)	(14,750.62)	(204,265.07)		

Washington State Bar Association

Statement of Activities

For the Period from August 1, 2016 to August 31, 2016

91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
LICENSING & MEMBERSHIP RECORDS					
REVENUE:					
STATUS CERTIFICATE FEES	21,000.00	1,646.44	19,683.68	1,316.32	93.73%
RULE 9/LEGAL INTERN FEES	15,000.00	800.00	12,300.00	2,700.00	82.00%
INVESTIGATION FEES	21,000.00	1,600.00	19,200.00	1,800.00	91.43%
PRO HAC VICE	190,000.00	18,865.00	173,170.00	16,830.00	91.14%
MEMBER CONTACT INFORMATION	28,000.00	275.05	20,402.52	7,597.48	72.87%
PHOTO BAR CARD SALES	500.00	12.00	564.13	(64.13)	112.83%
TOTAL REVENUE:	275,500.00	23,198.49	245,320.33	30,179.67	89.05%
DIRECT EXPENSES:					
LICENSING FORMS	2,000.00	-	8,348.32	(6,348.32)	417.42%
POSTAGE	21,000.00	-	26,647.89	(5,647.89)	126.89%
TOTAL DIRECT EXPENSES:	23,000.00	-	34,996.21	(11,996.21)	152.16%
INDIRECT EXPENSES:					
SALARY EXPENSE (4.16 FTE)	315,537.00	22,882.62	280,576.77	34,960.23	88.92%
BENEFITS EXPENSE	105,800.00	7,667.14	89,300.45	16,499.55	84.40%
OTHER INDIRECT EXPENSE	96,224.00	7,042.68	88,109.43	8,114.57	91.57%
TOTAL INDIRECT EXPENSES:	517,561.00	37,592.44	457,986.65	59,574.35	88.49%
TOTAL ALL EXPENSES:	540,561.00	37,592.44	492,982.86	47,578.14	91.20%
NET INCOME (LOSS):	(265,061.00)	(14,393.95)	(247,662.53)		

Washington State Bar Association

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91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
LIMITED LICENSE LEGAL TECHNICIAN PROGRAM					
REVENUE:					
LLLT LICENSE FEES	2,625.00	248.02	2,522.97	102.03	96.11%
LLLT EXAM FEES	8,100.00	-	4,500.00	3,600.00	55.56%
LLLT WAIVER FEES	600.00	1,050.00	1,650.00	(1,050.00)	275.00%
TOTAL REVENUE:	11,325.00	1,298.02	8,672.97	2,652.03	76.58%
DIRECT EXPENSES:					
CHRACTER & FITNESS INVESTIGATIONS	100.00	228.00	228.00	(128.00)	228.00%
LLLT BOARD	17,000.00	1,819.69	14,029.90	2,970.10	82.53%
LLLT OUTREACH	7,000.00	25.97	4,479.62	2,520.38	63.99%
LLLT EXAM WRITING	25,000.00	6,825.00	16,290.00	8,710.00	65.16%
STAFF TRAVEL/PARKING	-	-	309.10	(309.10)	
STAFF MEMBERSHIP DUES	-	-	110.00	(110.00)	
TOTAL DIRECT EXPENSES:	49,100.00	8,898.66	35,446.62	13,653.38	72.19%
INDIRECT EXPENSES:					
SALARY EXPENSE (1.36 FTE)	110,230.00	8,879.85	94,543.60	15,686.40	85.77%
BENEFITS EXPENSE	36,895.00	2,733.24	31,792.16	5,102.84	86.17%
OTHER INDIRECT EXPENSE	31,458.00	2,300.65	28,762.25	2,695.75	91.43%
TOTAL INDIRECT EXPENSES:	178,583.00	13,913.74	155,098.01	23,484.99	86.85%
TOTAL ALL EXPENSES:	227,683.00	22,812.40	190,544.63	37,138.37	83.69%
NET INCOME (LOSS):	(216,358.00)	(21,514.38)	(181,871.66)		

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91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
LIMITED PRACTICE OFFICERS					
REVENUE:					
RECOVERY OF DISCIPLINE COSTS	-	-	520.00	(520.00)	
LPO EXAMINATION FEES	15,000.00	6,800.00	20,400.00	(5,400.00)	136.00%
LPO LICENSE FEES	108,000.00	8,977.33	98,043.61	9,956.39	90.78%
LPO LATE LICENSE FEES	1,000.00	825.00	825.00	175.00	82.50%
LPO CEU & TA LATE FEES	4,000.00	50.00	3,450.00	550.00	86.25%
LPO CONTINUING ED ACCRED FEE	2,700.00	300.00	2,300.00	400.00	85.19%
TOTAL REVENUE:	130,700.00	16,952.33	125,538.61	5,161.39	96.05%
DIRECT EXPENSES:					
LPO EXAM FACILITIES	700.00	-	844.46	(144.46)	120.64%
LPO BOARD	2,300.00	107.30	1,127.86	1,172.14	49.04%
LPO DISCIPLINE EXPENSES	200.00	-	-	200.00	0.00%
FINGERPRINT CARD PROCESSING	1,500.00	-	3,002.00	(1,502.00)	200.13%
LITIGATION EXPENSES	-	-	24.89	(24.89)	
CHARACTER & FITNESS INVESTIGATIONS	100.00	-	-	100.00	0.00%
POSTAGE	2,300.00	-	1,481.38	818.62	64.41%
PRINTING & COPYING	-	-	697.11	(697.11)	
TOTAL DIRECT EXPENSES:	7,100.00	107.30	7,177.70	(77.70)	101.09%
INDIRECT EXPENSES:					
SALARY EXPENSE (1.50 FTE)	107,877.00	9,862.40	106,949.97	927.03	99.14%
BENEFITS EXPENSE	37,839.00	2,806.64	32,140.93	5,698.07	84.94%
OTHER INDIRECT EXPENSE	34,696.00	2,543.38	31,820.17	2,875.83	91.71%
TOTAL INDIRECT EXPENSES:	180,412.00	15,212.42	170,911.07	9,500.93	94.73%
TOTAL ALL EXPENSES:	187,512.00	15,319.72	178,088.77	9,423.23	94.97%
NET INCOME (LOSS):	(56,812.00)	1,632.61	(52,550.16)		

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	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
MANDATORY CLE ADMINISTRATION					
REVENUE:					
ACCREDITED PROGRAM FEES	300,000.00	27,500.00	254,200.00	45,800.00	84.73%
FORM 1 LATE FEES	60,000.00	12,530.88	107,520.88	(47,520.88)	179.20%
MEMBER LATE FEES	160,000.00	550.00	240,660.00	(80,660.00)	150.41%
ANNUAL ACCREDITED SPONSOR FEES	23,000.00	-	27,750.00	(4,750.00)	120.65%
ATTENDANCE FEES	70,000.00	2,835.00	57,769.12	12,230.88	82.53%
COMITY CERTIFICATES	26,000.00	150.01	34,148.20	(8,148.20)	131.34%
ATTENDANCE LATE FEES	60,000.00	9,030.00	65,462.00	(5,462.00)	109.10%
TOTAL REVENUE:	699,000.00	52,595.89	787,510.20	(88,510.20)	112.66%
DIRECT EXPENSES:					
MCLE BOARD	2,000.00	392.19	1,778.67	221.33	88.93%
POSTAGE	2,000.00	-	793.00	1,207.00	39.65%
STAFF TRAVEL/PARKING	-	-	40.00	(40.00)	
STAFF MEMBERSHIP DUES	700.00	-	500.00	200.00	71.43%
DEPRECIATION	108,120.00	15,335.00	92,010.00	16,110.00	85.10%
TOTAL DIRECT EXPENSES:	112,820.00	15,727.19	95,121.67	17,698.33	84.31%
INDIRECT EXPENSES:					
SALARY EXPENSE (5.33 FTE)	332,303.00	21,728.94	246,598.53	85,704.47	74.21%
BENEFITS EXPENSE	118,506.00	8,865.37	102,500.87	16,005.13	86.49%
OTHER INDIRECT EXPENSE	123,287.00	9,007.51	112,848.96	10,438.04	91.53%
TOTAL INDIRECT EXPENSES:	574,096.00	39,601.82	461,948.36	112,147.64	80.47%
TOTAL ALL EXPENSES:	686,916.00	55,329.01	557,070.03	129,845.97	81.10%
NET INCOME (LOSS):	12,084.00	(2,733.12)	230,440.17		

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	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
MEMBER BENEFITS					
REVENUE:					
ROYALTIES	3,000.00	3,882.73	16,464.99	(13,464.99)	548.83%
TOTAL REVENUE:	3,000.00	3,882.73	16,464.99	(13,464.99)	548.83%
DIRECT EXPENSES:					
CASEMAKER	73,000.00	12,373.90	68,056.45	4,943.55	93.23%
TOTAL DIRECT EXPENSES:	73,000.00	12,373.90	68,056.45	4,943.55	93.23%
INDIRECT EXPENSES:					
TOTAL INDIRECT EXPENSES:	-	-	-	-	
TOTAL ALL EXPENSES:	73,000.00	12,373.90	68,056.45	4,943.55	93.23%
NET INCOME (LOSS):	(70,000.00)	(8,491.17)	(51,591.46)		

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91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
MENTORSHIP PROGRAM					
REVENUE:					
TOTAL REVENUE:	-	-	-	-	
DIRECT EXPENSES:					
MENTORSHIP PROGRAM EXPENSES	18,258.00	271.61	1,582.40	16,675.60	8.67%
RECEPTION/FORUM EXPENSE	1,000.00	-	-	1,000.00	0.00%
CONSULTING SERVICES	1,000.00	-	-	1,000.00	0.00%
STAFF TRAVEL/PARKING	2,000.00	-	-	2,000.00	0.00%
SUBSCRIPTIONS	500.00	-	-	500.00	0.00%
CONFERENCE CALLS	800.00	-	-	800.00	0.00%
TOTAL DIRECT EXPENSES:	23,558.00	271.61	1,582.40	21,975.60	6.72%
INDIRECT EXPENSES:					
SALARY EXPENSE (1.40 FTE)	96,257.00	7,428.62	67,201.07	29,055.93	69.81%
BENEFITS EXPENSE	34,369.00	2,652.96	27,412.72	6,956.28	79.76%
OTHER INDIRECT EXPENSE	32,383.00	2,294.43	28,733.02	3,649.98	88.73%
TOTAL INDIRECT EXPENSES:	163,009.00	12,376.01	123,346.81	39,662.19	75.67%
TOTAL ALL EXPENSES:	186,567.00	12,647.62	124,929.21	61,637.79	66.96%
NET INCOME (LOSS):	(186,567.00)	(12,647.62)	(124,929.21)		

Washington State Bar Association
Statement of Activities
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91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
NEW LAWYER EDUCATION					
REVENUE:					
DONATIONS	-	-	1,550.00	(1,550.00)	
SEMINAR REGISTRATIONS	100,000.00	1,032.00	31,661.70	68,338.30	31.66%
TRIAL ADVOCACY PROGRAM	25,000.00	-	28,191.00	(3,191.00)	112.76%
TOTAL REVENUE:	125,000.00	1,032.00	61,402.70	63,597.30	49.12%
DIRECT EXPENSES:					
STAFF TRAVEL/PARKING	1,600.00	8.00	868.65	731.35	54.29%
STAFF MEMBERSHIP DUES	200.00	-	-	200.00	0.00%
ONLINE EXPENSES	2,940.00	245.00	2,205.00	735.00	75.00%
NEW LAWYER OUTREACH EVENTS	5,000.00	250.00	5,371.01	(371.01)	107.42%
NEW LAWYERS COMMITTEE	15,000.00	2,108.29	13,667.84	1,332.16	91.12%
TRIAL ADVOCACY PROGRAM	3,500.00	-	4,028.04	(528.04)	115.09%
SEMINAR BROCHURES	3,000.00	-	906.92	2,093.08	30.23%
SPEAKERS & PROGRAM DEVELOPMENT	2,000.00	31.25	1,310.46	689.54	65.52%
SCHOLARSHIPS/DONATIONS/GRANT	2,000.00	1,832.70	1,832.70	167.30	91.64%
TOTAL DIRECT EXPENSES:	35,240.00	4,475.24	30,190.62	5,049.38	85.67%
INDIRECT EXPENSES:					
SALARY EXPENSE (2.40 FTE)	182,079.00	12,137.12	142,118.60	39,960.40	78.05%
BENEFITS EXPENSE	58,086.00	4,238.99	48,115.01	9,970.99	82.83%
OTHER INDIRECT EXPENSE	55,514.00	4,055.77	50,773.86	4,740.14	91.46%
TOTAL INDIRECT EXPENSES:	295,679.00	20,431.88	241,007.47	54,671.53	81.51%
TOTAL ALL EXPENSES:	330,919.00	24,907.12	271,198.09	59,720.91	81.95%
NET INCOME (LOSS):	(205,919.00)	(23,875.12)	(209,795.39)		

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	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
NORTHWEST LAWYER					
REVENUE:					
ROYALTIES	-	-	1,231.13	(1,231.13)	
DISPLAY ADVERTISING	440,000.00	-	343,214.75	96,785.25	78.00%
SUBSCRIPT/SINGLE ISSUES	450.00	-	288.00	162.00	64.00%
CLASSIFIED ADVERTISING	84,000.00	470.00	81,538.12	2,461.88	97.07%
GEN ANNOUNCEMENTS	19,000.00	-	10,600.00	8,400.00	55.79%
PROF ANNOUNCEMENTS	24,000.00	-	24,497.50	(497.50)	102.07%
TOTAL REVENUE:	567,450.00	470.00	461,369.50	106,080.50	81.31%
DIRECT EXPENSES:					
GRAPHICS/ARTWORK	2,500.00	1,071.35	1,518.20	981.80	60.73%
OUTSIDE SALES EXPENSE	80,000.00	7,605.38	64,345.58	15,654.42	80.43%
EDITORIAL ADVISORY COMMITTEE	800.00	46.16	787.37	12.63	98.42%
DIGITAL/ONLINE DEVELOPMENT	8,400.00	700.00	6,650.00	1,750.00	79.17%
BAD DEBT EXPENSE	1,000.00	125.00	(1,225.00)	2,225.00	-122.50%
POSTAGE	70,000.00	10,634.03	79,820.33	(9,820.33)	114.03%
PRINTING, COPYING & MAILING	220,000.00	51,081.71	196,514.82	23,485.18	89.32%
SURVEY	9,000.00	-	-	9,000.00	0.00%
TOTAL DIRECT EXPENSES:	391,700.00	71,263.63	348,411.30	43,288.70	88.95%
INDIRECT EXPENSES:					
SALARY EXPENSE (1.80 FTE)	137,091.00	11,119.60	119,005.92	18,085.08	86.81%
BENEFITS EXPENSE	47,052.00	3,877.46	42,590.53	4,461.47	90.52%
OTHER INDIRECT EXPENSE	41,635.00	3,057.55	38,243.12	3,391.88	91.85%
TOTAL INDIRECT EXPENSES:	225,778.00	18,054.61	199,839.57	25,938.43	88.51%
TOTAL ALL EXPENSES:	617,478.00	89,318.24	548,250.87	69,227.13	88.79%
NET INCOME (LOSS):	(50,028.00)	(88,848.24)	(86,881.37)		

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	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
OFFICE OF GENERAL COUNSEL					
REVENUE:					
COPY FEES	-	-	69.53	(69.53)	
RECORDS REQUEST FEES	-	341.11	341.11	(341.11)	
TOTAL REVENUE:	-	341.11	410.64	(410.64)	
DIRECT EXPENSES:					
AMICUS BRIEF COMMITTEE	100.00	-	43.65	56.35	43.65%
COURT RULES COMMITTEE	5,000.00	-	892.33	4,107.67	17.85%
DISCIPLINE ADVISORY ROUNDTABLE	1,500.00	-	-	1,500.00	0.00%
LITIGATION EXPENSES	-	222.25	316.99	(316.99)	
CUSTODIANSHIPS	10,000.00	464.01	1,734.95	8,265.05	17.35%
STAFF TRAVEL/PARKING	2,600.00	198.00	2,792.92	(192.92)	107.42%
STAFF MEMBERSHIP DUES	1,500.00	200.00	1,715.00	(215.00)	114.33%
TOTAL DIRECT EXPENSES:	20,700.00	1,084.26	7,495.84	13,204.16	36.21%
INDIRECT EXPENSES:					
SALARY EXPENSE (4.91 FTE)	416,440.00	34,194.96	383,982.29	32,457.71	92.21%
BENEFITS EXPENSE	135,800.00	10,404.22	121,080.75	14,719.25	89.16%
OTHER INDIRECT EXPENSE	113,572.00	8,323.79	104,037.76	9,534.24	91.61%
TOTAL INDIRECT EXPENSES:	665,812.00	52,922.97	609,100.80	56,711.20	91.48%
TOTAL ALL EXPENSES:	686,512.00	54,007.23	616,596.64	69,915.36	89.82%
NET INCOME (LOSS):	(686,512.00)	(53,666.12)	(616,186.00)		

Washington State Bar Association

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	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
OGC-DISCIPLINARY BOARD					
REVENUE:					
TOTAL REVENUE:	-	-	-	-	
DIRECT EXPENSE:					
DISCIPLINARY BOARD EXPENSES	10,000.00	930.98	6,719.28	3,280.72	67.19%
CHIEF HEARING OFFICER	33,000.00	2,500.00	27,500.00	5,500.00	83.33%
HEARING OFFICER EXPENSES	5,000.00	-	712.30	4,287.70	14.25%
HEARING OFFICER TRAINING	2,500.00	-	1,877.21	622.79	75.09%
DISCIPLINARY BOARD NOTICES	-	-	23.28	(23.28)	
OUTSIDE COUNSEL	60,000.00	4,000.00	92,214.13	(32,214.13)	153.69%
DISCIPLINARY SELECTION PANEL	-	-	742.62	(742.62)	
STAFF MEMBERSHIP DUES	500.00	-	-	500.00	0.00%
TOTAL DIRECT EXPENSES:	111,000.00	7,430.98	129,788.82	(18,788.82)	116.93%
INDIRECT EXPENSES:					
SALARY EXPENSE (1.51 FTE)	113,766.00	9,479.60	105,046.66	8,719.34	92.34%
BENEFITS EXPENSE	39,230.00	2,915.88	33,893.13	5,336.87	86.40%
OTHER INDIRECT EXPENSE	34,928.00	2,569.08	32,129.36	2,798.64	91.99%
TOTAL INDIRECT EXPENSES:	187,924.00	14,964.56	171,069.15	16,854.85	91.03%
TOTAL ALL EXPENSES:	298,924.00	22,395.54	300,857.97	(1,933.97)	100.65%
NET INCOME (LOSS):	(298,924.00)	(22,395.54)	(300,857.97)		

Washington State Bar Association

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91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
PRACTICE OF LAW BOARD					
REVENUE:					
TOTAL REVENUE:	-	-	-	-	
DIRECT EXPENSES:					
PRACTICE OF LAW BOARD	3,500.00	2,224.01	13,993.31	(10,493.31)	399.81%
TRANSLATION SERVICES	500.00	-	-	500.00	0.00%
STAFF TRAVEL/PARKING	100.00	-	-	100.00	0.00%
TOTAL DIRECT EXPENSES:	4,100.00	2,224.01	13,993.31	(9,893.31)	341.30%
INDIRECT EXPENSES:					
SALARY EXPENSE (0.63 FTE)	47,120.00	3,925.82	43,522.61	3,597.39	92.37%
BENEFITS EXPENSE	16,322.00	1,333.70	15,392.26	929.74	94.30%
OTHER INDIRECT EXPENSE	14,572.00	1,076.97	13,467.11	1,104.89	92.42%
TOTAL INDIRECT EXPENSES:	78,014.00	6,336.49	72,381.98	5,632.02	92.78%
TOTAL ALL EXPENSES:	82,114.00	8,560.50	86,375.29	(4,261.29)	105.19%
NET INCOME (LOSS):	(82,114.00)	(8,560.50)	(86,375.29)		

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	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
PROFESSIONAL RESPONSIBILITY PROGRAM					
REVENUE:					
TOTAL REVENUE:	-	-	-	-	
DIRECT EXPENSES:					
CPE COMMITTEE	5,000.00	408.66	1,899.49	3,100.51	37.99%
STAFF TRAVEL/PARKING	1,000.00	-	1,725.86	(725.86)	172.59%
STAFF MEMBERSHIP DUES	500.00	-	410.00	90.00	82.00%
TOTAL DIRECT EXPENSES:	6,500.00	408.66	4,035.35	2,464.65	62.08%
INDIRECT EXPENSES:					
SALARY EXPENSE (1.30 FTE)	105,332.00	7,778.38	86,277.43	19,054.57	81.91%
BENEFITS EXPENSE	35,281.00	2,614.35	30,495.83	4,785.17	86.44%
OTHER INDIRECT EXPENSE	30,070.00	2,202.51	27,536.56	2,533.44	91.57%
TOTAL INDIRECT EXPENSES:	170,683.00	12,595.24	144,309.82	26,373.18	84.55%
TOTAL ALL EXPENSES:	177,183.00	13,003.90	148,345.17	28,837.83	83.72%
NET INCOME (LOSS):	(177,183.00)	(13,003.90)	(148,345.17)		

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	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
PUBLIC SERVICE PROGRAMS					
REVENUE:					
DONATIONS & GRANTS	85,000.00	-	72,400.00	12,600.00	85.18%
TOTAL REVENUE:	85,000.00	-	72,400.00	12,600.00	85.18%
DIRECT EXPENSES:					
DONATIONS/SPONSORSHIPS/GRANTS	203,684.00	-	166,364.79	37,319.21	81.68%
SPEAKERS & PROGRAM DEVELOPMENT	1,000.00	91.60	653.71	346.29	65.37%
STAFF TRAVEL/PARKING	2,000.00	77.20	2,769.67	(769.67)	138.48%
STAFF MEMBERSHIP DUES	95.00	-	-	95.00	0.00%
CONFERENCE CALLS	200.00	0.43	105.37	94.63	52.69%
PRO BONO & LEGAL AID COMMITTEE	2,000.00	106.22	1,412.11	587.89	70.61%
VOLUNTEER RECRUITMENT & APPREC	6,500.00	-	3,893.88	2,606.12	59.91%
PUBLIC DEFENSE	4,500.00	166.58	6,278.48	(1,778.48)	139.52%
TOTAL DIRECT EXPENSES:	219,979.00	442.03	181,478.01	38,500.99	82.50%
INDIRECT EXPENSES:					
SALARY EXPENSE (2.40 FTE)	162,849.00	11,901.15	137,143.05	25,705.95	84.21%
BENEFITS EXPENSE	58,419.00	4,123.02	47,872.47	10,546.53	81.95%
OTHER INDIRECT EXPENSE	55,514.00	4,056.20	50,774.74	4,739.26	91.46%
TOTAL INDIRECT EXPENSES:	276,782.00	20,080.37	235,790.26	40,991.74	85.19%
TOTAL ALL EXPENSES:	496,761.00	20,522.40	417,268.27	79,492.73	84.00%
NET INCOME (LOSS):	(411,761.00)	(20,522.40)	(344,868.27)		

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	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
SECTIONS ADMINISTRATION					
REVENUE:					
REIMBURSEMENTS FROM SECTIONS	311,250.00	712.50	318,525.00	(7,275.00)	102.34%
TOTAL REVENUE:	311,250.00	712.50	318,525.00	(7,275.00)	102.34%
DIRECT EXPENSES:					
DUES STATEMENTS	8,500.00	-	9,173.06	(673.06)	107.92%
STAFF TRAVEL/PARKING	1,000.00	-	385.97	614.03	38.60%
STAFF MEMBERSHIP DUES	-	-	40.00	(40.00)	
SECTION/COMMITTEE CHAIR MTGS	1,000.00	-	229.34	770.66	22.93%
CONFERENCE CALLS	300.00	-	49.86	250.14	16.62%
MISCELLANEOUS	300.00	76.45	225.43	74.57	75.14%
TOTAL DIRECT EXPENSES:	11,100.00	76.45	10,103.66	996.34	91.02%
INDIRECT EXPENSES:					
SALARY EXPENSE (3.98 FTE)	227,217.00	20,348.34	204,590.23	22,626.77	90.04%
BENEFITS EXPENSE	87,910.00	6,091.71	66,788.51	21,121.49	75.97%
OTHER INDIRECT EXPENSE	92,061.00	6,736.79	84,409.28	7,651.72	91.69%
TOTAL INDIRECT EXPENSES:	407,188.00	33,176.84	355,788.02	51,399.98	87.38%
TOTAL ALL EXPENSES:	418,288.00	33,253.29	365,891.68	52,396.32	87.47%
NET INCOME (LOSS):	(107,038.00)	(32,540.79)	(47,366.68)		

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	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
TECHNOLOGY					
REVENUE:					
TOTAL REVENUE:	-	-	-	-	
DIRECT EXPENSES:					
COMPUTER HARDWARE	34,000.00	3,337.13	27,880.42	6,119.58	82.00%
COMPUTER SOFTWARE	20,000.00	3,995.00	16,519.60	3,480.40	82.60%
SOFTWARE MAINTENANCE & LICENSING	291,000.00	303.00	225,599.60	65,400.40	77.53%
HARDWARE SERVICE & WARRANTIES	75,000.00	1,937.23	20,792.03	54,207.97	27.72%
TELEPHONE HARDWARE & MAINTENANCE	41,000.00	2,980.11	34,345.88	6,654.12	83.77%
COMPUTER SUPPLIES	30,000.00	71.23	15,166.32	14,833.68	50.55%
THIRD PARTY SERVICES	31,000.00	1,182.25	35,374.85	(4,374.85)	114.11%
CONSULTING SERVICES	320,705.00	9,696.25	278,176.35	42,528.65	86.74%
STAFF TRAVEL/PARKING	2,500.00	-	677.17	1,822.83	27.09%
STAFF MEMBERSHIP DUES	110.00	-	-	110.00	0.00%
TELEPHONE	22,000.00	205.51	5,274.53	16,725.47	23.98%
TRANSFER TO INDIRECT EXPENSES	(750,710.00)	(23,707.71)	(659,806.75)	(90,903.25)	87.89%
TOTAL DIRECT EXPENSES:	116,605.00	-	-	116,605.00	0.00%
INDIRECT EXPENSES:					
SALARY EXPENSE (12.10 FTE)	978,078.00	70,590.73	766,691.47	211,386.53	78.39%
BENEFITS EXPENSE	327,936.00	22,723.41	267,229.55	60,706.45	81.49%
CAPITAL LABOR & OVERHEAD	(33,900.00)	-	(22,728.00)	(11,172.00)	67.04%
OTHER INDIRECT EXPENSE	279,883.00	20,510.55	256,415.47	23,467.53	91.62%
TOTAL INDIRECT EXPENSES:	1,551,997.00	113,824.69	1,267,608.49	284,388.51	81.68%
TOTAL ALL EXPENSES:	1,668,602.00	113,824.69	1,267,608.49	400,993.51	75.97%
NET INCOME (LOSS):	(1,668,602.00)	(113,824.69)	(1,267,608.49)		

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CLE - PRODUCTS					
REVENUE:					
SHIPPING & HANDLING	5,750.00	453.00	6,570.00	(820.00)	114.26%
DESKBOOK SALES	100,000.00	6,599.70	107,266.82	(7,266.82)	107.27%
COURSEBOOK SALES	25,000.00	445.00	17,346.12	7,653.88	69.38%
SECTION PUBLICATION SALES	19,000.00	2,827.50	20,800.74	(1,800.74)	109.48%
CASEMAKER ROYALTIES	75,000.00	-	30,823.82	44,176.18	41.10%
MP3 AND VIDEO SALES	600,000.00	46,390.50	801,884.06	(201,884.06)	133.65%
TOTAL REVENUE:	824,750.00	56,715.70	984,691.56	(159,941.56)	119.39%
DIRECT EXPENSES:					
COST OF SALES - DESKBOOKS	70,000.00	4,266.28	71,054.43	(1,054.43)	101.51%
COST OF SALES - COURSEBOOKS	1,750.00	35.89	1,485.98	264.02	84.91%
COST OF SALES SECTION PUBLICATION	3,500.00	505.14	3,524.30	(24.30)	100.69%
A/V DEVELOP COSTS (RECORDING)	1,700.00	-	1,500.00	200.00	88.24%
DEPRECIATION	6,513.33	521.00	4,702.00	1,811.33	72.19%
DESKBOOK ROYALTIES	1,000.00	168.75	781.39	218.61	78.14%
RECORDED SEMINAR ROYALTIES	-	-	635.00	(635.00)	
ONLINE EXPENSES	40,000.00	3,099.64	37,422.81	2,577.19	93.56%
SHIPPING SUPPLIES	500.00	-	-	500.00	0.00%
POSTAGE & DELIVERY-DESKBOOKS	5,000.00	383.37	4,709.18	290.82	94.18%
POSTAGE & DELIVERY-COURSEBOOKS	5,000.00	319.30	1,235.52	3,764.48	24.71%
SPLITS WITH SECTIONS	6,000.00	-	5,219.22	780.78	86.99%
FLIERS/CATALOGS	6,000.00	-	4,011.87	1,988.13	66.86%
POSTAGE - FLIERS/CATALOGS	4,000.00	-	3,729.44	270.56	93.24%
EQUIPMENT, HARD.,& SOFTWARE	1,320.00	-	-	1,320.00	0.00%
COMPLIMENTARY BOOK PROGRAM	2,000.00	171.60	4,536.20	(2,536.20)	226.81%
BAD DEBT EXPENSE	100.00	-	-	100.00	0.00%
RECORDS STORAGE - OFF SITE	7,440.00	620.00	5,740.00	1,700.00	77.15%
STAFF MEMBERSHIP DUES	370.00	-	540.00	(170.00)	145.95%
MISCELLANEOUS	200.00	-	70.00	130.00	35.00%
TOTAL DIRECT EXPENSES:	162,393.33	10,090.97	150,897.34	11,495.99	92.92%
INDIRECT EXPENSES:					
SALARY EXPENSE (4.62 FTE)	311,882.00	23,511.50	270,916.31	40,965.69	86.87%
BENEFITS EXPENSE	108,019.00	7,896.09	92,710.72	15,308.28	85.83%
OTHER INDIRECT EXPENSE	106,864.00	7,816.27	97,877.83	8,986.17	91.59%
TOTAL INDIRECT EXPENSES:	526,765.00	39,223.86	461,504.86	65,260.14	87.61%
TOTAL ALL EXPENSES:	689,158.33	49,314.83	612,402.20	76,756.13	88.86%
NET INCOME (LOSS):	135,591.67	7,400.87	372,289.36		

Washington State Bar Association
Statement of Activities
For the Period from August 1, 2016 to August 31, 2016
91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
CLE - SEMINARS					
REVENUE:					
SEMINAR REGISTRATIONS	1,588,500.00	76,149.00	1,298,144.65	290,355.35	81.72%
SEMINAR-EXHIB/SPNSR/ETC	25,000.00	2,821.55	71,094.47	(46,094.47)	284.38%
TOTAL REVENUE:	1,613,500.00	78,970.55	1,369,239.12	244,260.88	84.86%
DIRECT EXPENSES:					
COURSEBOOK PRODUCTION	2,000.00	79.89	4,459.47	(2,459.47)	222.97%
POSTAGE - FLIERS/CATALOGS	50,000.00	4,244.13	26,637.22	23,362.78	53.27%
POSTAGE - MISC./DELIVERY	2,500.00	70.00	827.50	1,672.50	33.10%
ONLINE EXPENSES	42,000.00	323.20	37,179.92	4,820.08	88.52%
ACCREDITATION FEES	5,800.00	225.00	7,832.00	(2,032.00)	135.03%
SEMINAR BROCHURES	69,000.00	10,275.30	47,682.10	21,317.90	69.10%
FACILITIES	269,988.00	45,592.17	224,756.99	45,231.01	83.25%
SPEAKERS & PROGRAM DEVELOP	65,534.00	9,160.79	53,840.81	11,693.19	82.16%
SPLITS TO SECTIONS	167,456.00	17,599.34	135,349.54	32,106.46	80.83%
SPLITS TO CO-SPONSORS	7,500.00	-	-	7,500.00	0.00%
HONORARIA	20,250.00	-	-	20,250.00	0.00%
CLE SEMINAR COMMITTEE	1,500.00	24.13	148.40	1,351.60	9.89%
DEPRECIATION	15,700.00	1,307.00	14,372.00	1,328.00	91.54%
BAD DEBT EXPENSE	500.00	-	-	500.00	0.00%
STAFF TRAVEL/PARKING	6,500.00	2,420.52	4,374.77	2,125.23	67.30%
STAFF MEMBERSHIP DUES	975.00	-	1,094.00	(119.00)	112.21%
SUPPLIES	2,000.00	8.54	611.47	1,388.53	30.57%
TELEPHONE	-	-	10.69	(10.69)	
TOTAL DIRECT EXPENSES:	729,203.00	91,330.01	559,176.88	170,026.12	76.68%
INDIRECT EXPENSES:					
SALARY EXPENSE (8.64 FTE)	603,192.00	40,128.79	425,191.13	178,000.87	70.49%
BENEFITS EXPENSE	207,785.00	14,341.70	167,145.92	40,639.08	80.44%
OTHER INDIRECT EXPENSE	199,850.00	15,374.60	187,751.42	12,098.58	93.95%
TOTAL INDIRECT EXPENSES:	1,010,827.00	69,845.09	780,088.47	230,738.53	77.17%
TOTAL ALL EXPENSES:	1,740,030.00	161,175.10	1,339,265.35	400,764.65	76.97%
NET INCOME (LOSS):	(126,530.00)	(82,204.55)	29,973.77		

Washington State Bar Association
Statement of Activities
For the Period from August 1, 2016 to August 31, 2016
91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
SECTIONS OPERATIONS					
REVENUE:					
SECTION DUES	473,340.00	1,121.25	489,577.87	(16,237.87)	103.43%
SEMINAR PROFIT SHARE	139,200.00	17,599.34	141,453.94	(2,253.94)	101.62%
INTEREST INCOME	719.00	-	-	719.00	0.00%
PUBLICATIONS REVENUE	6,500.00	-	7,726.83	(1,226.83)	118.87%
OTHER	60,953.00	255.00	44,742.41	16,210.59	73.40%
TOTAL REVENUE:	680,712.00	18,975.59	683,501.05	(2,789.05)	100.41%
DIRECT EXPENSES:					
DIRECT EXPENSES OF SECTION ACTIVITIES	575,945.00	43,365.06	348,199.46	227,745.54	60.46%
REIMBURSEMENT TO WSBA FOR INDIRECT EXPENSES	306,970.25	712.50	318,525.00	(11,554.75)	103.76%
TOTAL DIRECT EXPENSES:	882,915.25	44,077.56	666,724.46	216,190.79	75.51%
NET INCOME (LOSS):	(202,203.25)	(25,101.97)	16,776.59		

Washington State Bar Association
Statement of Activities
For the Period from August 1, 2016 to August 31, 2016
91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
LAWYERS FUND FOR CLIENT PROTECTION					
REVENUE:					
LFCP RESTITUTION	1,000.00	268.69	2,875.85	(1,875.85)	287.59%
LFCP MEMBER ASSESSMENTS	945,000.00	3,960.00	985,635.00	(40,635.00)	104.30%
INTEREST INCOME	500.00	614.97	5,769.20	(5,269.20)	1153.84%
TOTAL REVENUE:	946,500.00	4,843.66	994,280.05	(47,780.05)	105.05%
DIRECT EXPENSES:					
GIFTS TO INJURED CLIENTS	500,000.00	44,943.09	274,535.52	225,464.48	54.91%
LFCP BOARD EXPENSES	1,500.00	336.18	1,325.24	174.76	88.35%
BANK FEES - WELLS FARGO	800.00	92.18	1,035.48	(235.48)	129.44%
STAFF MEMBERSHIP DUES	225.00	-	100.00	125.00	44.44%
TOTAL DIRECT EXPENSES:	502,525.00	45,371.45	276,996.24	225,528.76	55.12%
INDIRECT EXPENSES:					
SALARY EXPENSE (1.16 FTE)	75,029.00	6,251.52	69,286.67	5,742.33	92.35%
BENEFITS EXPENSE	27,423.00	2,047.96	23,738.04	3,684.96	86.56%
OTHER INDIRECT EXPENSE	26,832.00	1,954.47	24,470.42	2,361.58	91.20%
TOTAL INDIRECT EXPENSES:	129,284.00	10,253.95	117,495.13	11,788.87	90.88%
TOTAL ALL EXPENSES:	631,809.00	55,625.40	394,491.37	237,317.63	62.44%
NET INCOME (LOSS):	314,691.00	(50,781.74)	599,788.68		

Washington State Bar Association
Statement of Activities
For the Period from August 1, 2016 to August 31, 2016
91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
WESTERN STATES BAR CONFERENCE					
REVENUE:					
REGISTRATION REVENUE	50,000.00	-	25,200.00	24,800.00	50.40%
OTHER ACTIVITIES REGISTRATION REVENUE	-	-	12,959.46	(12,959.46)	
WESTERN STATES BAR MEMBERSHIP DUES	-	-	2,400.00	(2,400.00)	
SPONSORSHIPS	-	-	9,200.00	(9,200.00)	
TOTAL REVENUE:	50,000.00	-	49,759.46	240.54	99.52%
DIRECT EXPENSES:					
MANAGEMENT OF WESTERN STATES BAR CONFERENCE	50,000.00	-	150.00	49,850.00	0.30%
SPEAKERS & PROGRAM DEVELOPMENT	-	-	2,323.09	(2,323.09)	
FACILITIES	-	-	43,951.39	(43,951.39)	
STAFF TRAVEL/PARKING	-	-	1,043.26	(1,043.26)	
BANK FEES	-	46.66	509.71	(509.71)	
WSBC PRESIDENT TRAVEL	-	-	384.70	(384.70)	
OPTIONAL ACTIVITIES EXPENSE	-	-	1,225.92	(1,225.92)	
MARKETING EXPENSE	-	-	429.28	(429.28)	
TOTAL DIRECT EXPENSES:	50,000.00	46.66	50,017.35	(17.35)	100.03%
INDIRECT EXPENSES:					
TOTAL INDIRECT EXPENSES:	-	-	-	-	
TOTAL ALL EXPENSES:	50,000.00	46.66	50,017.35	(17.35)	100.03%
NET INCOME (LOSS):	-	(46.66)	(257.89)		

Washington State Bar Association
Statement of Activities
For the Period from August 1, 2016 to August 31, 2016
91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE	% USED OF BUDGET
INDIRECT EXPENSES:					
SALARIES	10,876,353.00	862,025.50	9,607,786.25	1,268,566.75	88.34%
ALLOWANCE FOR OPEN POSITIONS	(120,000.00)	-	-	(120,000.00)	0.00%
TEMPORARY SALARIES	152,600.00	5,148.16	70,120.33	82,479.67	45.95%
CAPITAL LABOR & OVERHEAD	(33,900.00)	-	(22,728.00)	(11,172.00)	67.04%
EMPLOYEE ASSISTANCE PLAN	4,800.00	1,200.00	4,800.00	-	100.00%
EMPLOYEE SERVICE AWARDS	2,140.00	-	1,824.25	315.75	85.25%
FICA (EMPLOYER PORTION)	815,000.00	64,025.17	713,280.29	101,719.71	87.52%
L&I INSURANCE	51,500.00	-	30,029.05	21,470.95	58.31%
MEDICAL (EMPLOYER PORTION)	1,442,000.00	106,293.67	1,179,882.72	262,117.28	81.82%
RETIREMENT (EMPLOYER PORTION)	1,205,000.00	94,181.20	1,043,508.48	161,491.52	86.60%
TRANSPORTATION ALLOWANCE	98,000.00	195.00	102,411.80	(4,411.80)	104.50%
UNEMPLOYMENT INSURANCE	119,500.00	4,721.76	84,700.19	34,799.81	70.88%
STAFF DEVELOPMENT-GENERAL	7,000.00	2,181.45	5,280.47	1,719.53	75.44%
TOTAL SALARY & BENEFITS EXPENSE:	14,619,993.00	1,139,971.91	12,820,895.83	1,799,097.17	87.69%
WORKPLACE BENEFITS	32,000.00	2,976.29	41,658.97	(9,658.97)	130.18%
HUMAN RESOURCES POOLED EXP	128,336.00	12,431.34	99,915.61	28,420.39	77.85%
MEETING SUPPORT EXPENSES	15,000.00	340.84	13,344.00	1,656.00	88.96%
RENT	1,590,000.00	129,554.75	1,457,929.82	132,070.18	91.69%
REMODEL EXPENSE	-	-	78,148.53	(78,148.53)	
PERSONAL PROP TAXES-WSBA	18,000.00	1,030.07	11,893.21	6,106.79	66.07%
FURNITURE, MAINT, LH IMP	20,000.00	5,672.47	21,161.04	(1,161.04)	105.81%
OFFICE SUPPLIES & EQUIPMENT	69,000.00	2,974.75	29,002.79	39,997.21	42.03%
FURN & OFFICE EQUIP DEPRECIATION	162,000.00	12,686.00	135,696.76	26,303.24	83.76%
COMPUTER HARDWARE DEPRECIATION	105,000.00	7,013.00	85,537.90	19,462.10	81.46%
COMPUTER SOFTWARE DEPRECIATION	52,000.00	1,704.00	39,408.60	12,591.40	75.79%
INSURANCE	105,000.00	10,881.85	92,254.35	12,745.65	87.86%
PROFESSIONAL FEES-AUDIT	30,000.00	3,747.61	34,058.26	(4,058.26)	113.53%
PROFESSIONAL FEES-LEGAL	40,000.00	964.00	59,975.40	(19,975.40)	149.94%
TELEPHONE & INTERNET	46,000.00	5,110.87	28,539.79	17,460.21	62.04%
POSTAGE - GENERAL	45,000.00	3,321.81	33,170.76	11,829.24	73.71%
RECORDS STORAGE	36,000.00	4,562.18	37,548.91	(1,548.91)	104.30%
STAFF TRAINING	55,000.00	13,619.21	72,279.94	(17,279.94)	131.42%
BANK FEES	17,200.00	225.73	17,245.92	(45.92)	100.27%
PRODUCTION MAINTENANCE & SUPPLIES	25,000.00	649.96	10,662.83	14,337.17	42.65%
GAIN (LOSS) ASSETS	-	-	(247.00)	247.00	
COMPUTER POOLED EXPENSES	750,710.00	23,707.71	659,806.75	90,903.25	87.89%
TOTAL OTHER INDIRECT EXPENSES:	3,341,246.00	243,174.44	3,058,993.14	282,252.86	91.55%
TOTAL INDIRECT EXPENSES:	17,961,239.00	1,383,146.35	15,879,888.97		

Washington State Bar Association
Statement of Activities
For the Period from August 1, 2016 to August 31, 2016
91.67% OF YEAR COMPLETE

	FISCAL 2016 BUDGET	CURRENT MONTH	YEAR TO DATE	REMAINING BALANCE
SUMMARY PAGE				
LICENSE FEES	12,545,000.00	1,082,529.26	11,720,730.73	824,269.27
ACCESS TO JUSTICE BOARD	(249,146.00)	(25,604.41)	(200,752.82)	(48,393.18)
ADMINISTRATION	(930,707.00)	(68,381.69)	(745,645.92)	(185,061.08)
ADMISSIONS/BAR EXAM	52,237.00	(32,197.51)	270,892.83	(218,655.83)
BOARD OF GOVERNORS	(757,003.00)	(83,183.52)	(711,106.59)	(45,896.41)
COMMUNICATIONS	(1,556,349.00)	(128,572.06)	(1,408,967.08)	(147,381.92)
DISCIPLINE	(5,439,416.00)	(428,395.85)	(4,858,097.41)	(581,318.59)
DIVERSITY	(353,563.00)	(28,690.15)	(274,280.50)	(79,282.50)
FOUNDATION	(168,950.00)	(11,501.35)	(128,691.17)	(40,258.83)
HUMAN RESOURCES	(247,159.00)	(27,788.58)	(322,398.68)	75,239.68
PUBLIC SERVICE PROGRAMS	(411,761.00)	(20,522.40)	(344,868.27)	(66,892.73)
LOMAP	(351,875.00)	(15,992.34)	(275,946.12)	(75,928.88)
LAP	(148,377.00)	(9,944.97)	(137,179.98)	(11,197.02)
LEGISLATIVE	(289,217.00)	(14,750.62)	(204,265.07)	(84,951.93)
LICENSING AND MEMBERSHIP	(265,061.00)	(14,393.95)	(247,662.53)	(17,398.47)
LIMITED LICENSE LEGAL TECHNICIAN	(216,358.00)	(21,514.38)	(181,871.66)	(34,486.34)
LIMITED PRACTICE OFFICERS	(56,812.00)	1,632.61	(52,550.16)	(4,261.84)
MANDATORY CLE ADMINISTRATION	12,084.00	(2,733.12)	230,440.17	(218,356.17)
MEMBER BENEFITS	(70,000.00)	(8,491.17)	(51,591.46)	(18,408.54)
MENTORSHIP PROGRAM	(186,567.00)	(12,647.62)	(124,929.21)	(61,637.79)
NEW LAWYER EDUCATION	(205,919.00)	(23,875.12)	(209,795.39)	3,876.39
NW LAWYER	(50,028.00)	(88,848.24)	(86,881.37)	36,853.37
OFFICE OF GENERAL COUNSEL	(686,512.00)	(53,666.12)	(616,186.00)	(70,326.00)
OGC-DISCIPLINARY BOARD	(298,924.00)	(22,395.54)	(300,857.97)	1,933.97
PRACTICE OF LAW BOARD	(82,114.00)	(8,560.50)	(86,375.29)	4,261.29
PROFESSIONAL RESPONSIBILITY	(177,183.00)	(13,003.90)	(148,345.17)	(28,837.83)
LAW CLERK PROGRAM	16,336.00	(5,623.55)	39,379.14	(23,043.14)
SECTIONS ADMINISTRATION	(107,038.00)	(32,540.79)	(47,366.68)	(59,671.32)
TECHNOLOGY	(1,668,602.00)	(113,824.69)	(1,267,608.49)	(400,993.51)
CLE - PRODUCTS	135,591.67	7,400.87	372,289.36	(236,697.69)
CLE - SEMINARS	(126,530.00)	(82,204.55)	29,973.77	(156,503.77)
SECTIONS OPERATIONS	(202,203.25)	(25,101.97)	16,776.59	(218,979.84)
LFCP	314,691.00	(50,781.74)	599,788.68	(285,097.68)
WESTERN STATES BAR CONFERENCE	-	(46.66)	(257.89)	257.89
INDIRECT EXPENSES	(17,961,239.00)	(1,383,146.35)	(15,879,888.97)	(2,081,350.03)
TOTAL OF ALL	20,188,673.58	1,767,362.67	15,634,096.58	4,554,577.00
NET INCOME (LOSS)	(2,227,434.58)	(384,216.32)	245,792.39	

**Washington State Bar Association
Analysis of Cash Investments
As of August 31, 2016**

Checking & Savings Accounts

General Fund

Checking

<u>Bank</u>	<u>Account</u>		<u>Amount</u>
Wells Fargo	General	\$	1,404,108
		Total	\$ 1,404,108

<u>Investments</u>	<u>Rate</u>		<u>Amount</u>
Wells Fargo Money Market	0.33%	\$	1,908,802
UBS Financial Money Market	0.35%	\$	836,041
Morgan Stanley Money Market	0.29%	\$	25,608
Merrill Lynch Money Market	0.40%	\$	1,864,579
Long Term Investments	Varies	\$	3,366,511
Short Term Investments	Varies	\$	1,000,000
		General Fund Total	<u>\$ 10,405,649</u>

Lawyer's Fund for Client Protection

Checking

<u>Bank</u>		<u>Amount</u>
Wells Fargo	\$	824,961

<u>Investments</u>	<u>Rate</u>		<u>Amount</u>
Wells Fargo Money Market	0.33%	\$	2,222,426
Morgan Stanley Money Market	0.01%	\$	102,556
Wells Fargo Investments	Varies	\$	-
		Lawyers' Fund for Client Protection Total	<u>\$ 3,149,943</u>

Grand Total Cash & Investments	<u>\$ 13,555,592</u>
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**Washington State Bar Association
Analysis of Cash Investments
As of August 31, 2016**

Long Term Investments- General Fund

UBS Financial Long Term Investments

Nuveen 3-7 year Municipal Bond Portfolio

Value as of 8/31/16

\$ 512,030.94

Morgan Stanley Long Term Investments

Lord Abbett Short Term Duration Income Fund

Guggenheim Total Return Bond Fund

Virtus Multi-Sector Short Term Bond Fund

Value as of 8/31/16

\$ 1,538,736.01

\$ 660,713.76

\$ 655,030.56

\$ 2,854,480.33

Total Long Term Investments- General Fund 3,366,511.27

Short Term Investments- General Fund

Bank

Synovus Bank

Yadkin Bank

Maple Bank

Goldman Sachs Bank

**Interest
Rate**

Yield

Term

**Maturity
Date**

Amount

0.50%

0.50%

6 months

9/26/2016

250,000.00

0.65%

0.65%

9 months

10/13/2016

250,000.00

0.60%

0.60%

9 months

10/20/2016

250,000.00

0.70%

0.70%

9 months

10/20/2016

250,000.00

Total Short Term Investments- General Fund 1,000,000.00

Lawyer's Fund for Client Protection

Bank

**Interest
Rate**

Yield

**Term
Mths**

**Maturity
Date**

Amount

Total LFCP -



To: Board of Governors

From: Mark Hayes, Controller

Re: Investment Update as of October, 2016

Date: November 4, 2016

The last update on the investment portfolio showed a total value of \$3,376,288 as of September 30th. There was no change in the portfolio for the month of October. We remain invested in several bond funds and a short-term income fund. The portfolio value of \$3,369,178 as of October 31st represents a \$7,110 (.2%) reduction from the prior month.

The WSBA's investments are managed by our advisors at Morgan Stanley and UBS Financial. As of October 31st we have an aggregate gain across all funds of \$141,163 since first creating an investment portfolio with an actual percentage gain of 4.37%. The breakdown by fund is as follows:

INVESTMENT FUND	9/30/16 Value	10/31/16 Value	\$ Gain/(Loss) Over 1 Year	\$ Gain/(Loss) Over 5 Years	\$ Gain/(Loss) Since Inception	% Gain/(Loss) Since Inception
Nuveen 3-7 year Municipal Bond Portfolio	\$510,698	\$504,624	\$4,624 ¹	N/A	\$4,624	.93% ¹
Lord Abbett & Company Short Term Duration Income Fund	\$1,543,941	\$1,545,487	\$49,280	\$200,503 ²	\$117,472 ³	8.23%
Guggenheim Total Return Bond Fund	\$662,405 ⁴	\$659,592	\$9,592	N/A	\$9,592	1.48%
Virtus Multi-Sector Short Term Bond Fund	\$659,244 ⁴	\$659,475	\$9,475	N/A	\$9,475	1.46%
Total	\$3,376,288	\$3,369,178	\$72,971	\$200,503	\$141,163	4.37%

¹ Original purchase price was \$499,194 in November 2009. \$170,000 was withdrawn from this fund in June 2016. Gain/(loss) comparisons are based on value of fund after June 2016 withdrawal which was \$500,000 which will be considered the "Inception Value".

² Comparison price for 5 years is based on the combination of the original investment of \$281,680 (in June 2013), the Legg Mason fund (transferred to Lord Abbett in May 2014), Hays Advisory Fund (liquidated and transferred to Lord Abbett in March 2015), and Tradewinds NWQ Fund (liquidated and transferred to Lord Abbett in July 2013).

³ Purchase price is \$1,428,015 which includes \$500,020 original purchase plus \$599,995 purchase of Legg Mason transferred over to Lord Abbett as of May 9, 2014 and \$328,000 from liquidation of Hays Advisory Fund on March 3, 2015.

⁴ Purchase price is \$650,000



Board of Governors Meeting
Gonzaga University
Spokane, WA
January 26-27, 2017

*WSBA Mission: Serve the public and the members of the Bar,
ensure the integrity of the legal profession, and to champion justice.*

PLEASE NOTE: ALL TIMES ARE APPROXIMATE

Thursday, January 26, 2017

GENERAL INFORMATION XX

1. AGENDA XX

12:15 P.M. – Lunch with Liaisons

1:30 P.M.

2. EXECUTIVE SESSION

- a. Approval of November 18, 2016, Executive Session Minutes (**action**) E-xx
- b. President's and Executive Director's Reports
- c. Discipline Report – Doug Ende..... E-xx
- d. Litigation Report – Jean McElroy E-xx
- e. Meeting Evaluation Summary..... E-xx

2:30 P.M. – PUBLIC SESSION

- Introductions and Welcome
- Report on Executive Session
- Consideration of Consent Calendar*

OPERATIONAL

3. FIRST READING/ACTION CALENDAR

- a. WSBA Spiritual Practices Policy – Jean McElroy, General Counsel/Chief Regulatory Counsel, and Frances Dujon-Reynolds, Director of Human Resources XX

* See Consent Calendar. Any items pulled from the Consent Calendar will be scheduled at the President's discretion.

Friday, January 27, 2017

GENERATIVE DISCUSSION

- 4. **CONSENT CALENDAR**..... XX
 - a. November 18, 2016, Public Session Minutes XX

- 5. **INFORMATION**.....
 - a. Activity Reports XX
 - b. Executive Director's Report XX
 - c. ABA Midyear Meeting Sneak Preview XX
 - d. FY2016 Audited Financial Statements XX
 - e. FY2017 First Quarter Management Report XX
 - f. Legislative Report..... XX
 - g. Lawyers' Fund for Client Protection Annual Report XX
 - h. Third-Year Governors Candidate Recruitment Report XX
 - i. Diversity and Inclusion Events XX
 - j. Financials

- 6. **PREVIEW OF MARCH 9, 2017, MEETING** XX

2016-2017 Board of Governors Meeting Issues

NOVEMBER (Seattle)

Standing Agenda Items:

- Financials
- FY2016 Fourth Quarter Management Report
- BOG 2016-2017 Legislative Committee Agenda
- WSBA Legislative Committee Recommendations
- Office of Disciplinary Counsel Report (Executive Session – quarterly)
- Outside Appointments (if any)
- Washington Leadership Institute (WLI) Fellows Report
- WSBA Practice Sections Annual Reports (information)
- WSBF Annual Report

JANUARY (Spokane)

Standing Agenda Items:

- ABA Midyear Meeting Sneak Preview
- Financials
- FY2016 Audited Financial Statements
- FY2017 First Quarter Management Report
- Legislative Report
- LFCP Board Annual Report
- Office of Disciplinary Counsel Report (Executive Session – quarterly)
- Outside Appointments (if any)
- Third-Year Governors Candidate Recruitment Report

MARCH (Olympia)

Standing Agenda Items:

- ABA Mid-Year Meeting Report
- Financials
- Legislative Report
- Outside Appointments (if any)
- Supreme Court Meeting

May (Seattle)

Standing Agenda Items:

- BOG Election Interview Time Limits (Executive Session)
- Financials
- FY2017 Second Quarter Management Report
- Interview/Selection of WSBA At-Large Governor
- Interview/Selection of the WSBA President-elect
- Legislative Report/Wrap-up
- Office of Disciplinary Counsel Report (Executive Session – quarterly)
- Outside Appointments (if any)
- WSBA Awards Committee Recommendations (Executive Session)

JULY (Alderbrook)

Standing Agenda Items:

- ATJ Board Report
- BOG Retreat
- Court Rules and Procedures Committee Report and Recommendations
- Discipline Selection Panel Recommendations
- Financials
- Draft WSBA FY2017 Budget
- FY2016 Third Quarter Management Report
- Office of Disciplinary Counsel Report (Executive Session – quarterly)
- WSBA Committee and Board Chair Appointments
- WSBA Mission Performance and Review (MPR) Committee Update
- WSBA Treasurer Election

SEPTEMBER (Seattle)

Standing Agenda Items:

- 2018 Keller Deduction Schedule
- ABA Annual Meeting Report
- Chief Hearing Officer Annual Report
- Professionalism Annual Report
- Executive Director's Evaluation Report
- Financials
- Final FY2018 Budget
- Legal Foundation of Washington and LAW Fund Report
- Washington Law School Deans
- WSBA Annual Awards Dinner
- WSBF Annual Meeting and Trustee Election

Board of Governors – Action Timeline

Description of Matter/Issue	First Reading	Scheduled for Board Action
Law Clerk Waiver Policies	November 13, 2015	TBD