

MINUTES
HAWAII STATE BAR ASSOCIATION
BOARD MEETING

1100 Alakea Street, Suite 1000
Honolulu, HI 96813

Thursday, October 24, 2013

A. **CALL TO ORDER**

President Craig Wagnild called the meeting to order at 12:02 p.m. with a quorum present. The following persons were present for all or part of the meeting:

Officers Present

Craig Wagnild
Calvin Young
Gregory Markham
Alika Piper
Ronette Kawakami

Directors Present

Russ Awakuni
David Farmer
Rhonda Griswold
Geraldine Hasegawa
Carol Kitaoka
Derek Kobayashi
Laurel Loo
Timothy McNulty
Suzanne Terada
Malcolm Barcarse

Board Members Absent

Nadine Ando
Cecelia Chang
Steven Chow
Vladimir Devens
Mark Murakami
Stephanie Rezens

Others Present

Deana Awa
Shauna Cahill
Crystal Ching
Martin Hsia
James Kawachika
Carol Muranaka
Sherri Tomishima

HSBA Staff

Patricia Mau-Shimizu
Iris Ito
Debra White
Levi Ho'okano
Angela Sablan Tenorio
Debbie Blanton
Brian Simon

*G. **NEW BUSINESS**

3. **Annual Audit & Financial Statement and Form 990** - Sherri Tomishima of Tomishima & Fukuhara, CPA, Inc. explained that she has audited HSBA's financials for over 10 years, and that the audit procedure has been consistently positive and smooth. She stated that management responsibility for an organization's financial statements increased in the past year and noted that the explanation on the basis of accounting is also new. Ms. Tomishima highlighted other items of note in the Independent Auditor's Report.

Crystal Ching and Deana Awa from KMH LLP presented the draft tax return Form 990 for year ending 2012 consistent with the HSBA's "best practices" standard. Ms. Ching reported that the HSBA's Form 990 was relatively straightforward and that there were no significant changes from the prior year. She called attention to entries related to the Hawaii State Bar Foundation and the Civic Education project contribution, two new items not on last year's form. She also pointed out important items for the Board's information under the sections titled "Governing Body and Management" and "Policies."

- B. **APPROVAL OF MINUTES** - A motion was made, seconded, and carried without opposition to approve the minutes of the September 26, 2013 board meeting.
- C. **TREASURER'S REPORT** - Treasurer Alika Piper reported that as of September 30, 2013, credit card fees were lower than anticipated, property taxes were slightly higher than expected, and building maintenance fees had increased. She noted that most bar convention expenses will be reflected in the October financials and income from new admittee membership dues will be reflected in November financials.
- D. **EXECUTIVE DIRECTOR'S REPORT** - Executive Director Patricia Mau-Shimizu reported that postcards will be mailed in November alerting members that the online portal will be open on December 1st for the 2014 Attorney Renewal/Registration. Program Director Levi Hookano reported that there were a total of 450 attendees and a profit of \$34,000 is expected for the Bar Convention. He added that CLE sales included 127 Real Estate manuals, 73 Divorce Supplements, and 12 Federal Appeals manuals."
- E. **YLD PRESIDENT'S REPORT** - YLD President Malcolm Barcarse reported that the recently completed Junior Judges project went well. The next event is the YLD Annual Meeting scheduled for November 15th.

*Item taken out of order due to the presence of guests reflect this increase.

F. UNFINISHED BUSINESS

1. **Migration of Membership System, Website, and Other Databases** - HSBA member Martin Hsia, who is assisting the HSBA by reviewing all documents from ASI, the membership system developer, and TSC, the customization consultant, described five major issues still outstanding that HSBA would like the ASI and TSC to address:
 - The deposit of the version of the software being procured by the HSBA in escrow for use under in certain situations, if necessary.
 - The timeframe for the upgrade of customized software developed by TSC for use with iMIS, and costs which are associated with the required upgrade work.
 - The free assignment of named seat licenses (individuals with administrative privileges) being purchases for key staff use if staff leaves the employ of the HSBA.
 - Consistency in venue provisions in the event of a claim or dispute (disputes initiated by the HSBA in the Contractor's designated state; disputes initiated by the Contractor in Hawaii).
 - Specific assurance that in the event of termination, the HSBA will be able to access all of its data in a non-proprietary format at no cost to the HSBA.

Other HSBA concerns brought to the companies' attention had been previously addressed. Ms. Mau-Shimizu requested Board approval to continue working with ASI and TSC to address the remaining issues in order to move forward with this project.

Action taken: A motion was made, seconded, and carried without opposition to adopt the recommendation of the Executive Committee to authorize the Executive Director to execute agreements with the developer and the customization consultant of the association management software which was Board-approved in June for HSBA migration, after the two companies address concerns identified by HSBA legal counsel and after review by the President and President-elect.

2. **Proposed Amendment to Supreme Court Rule 2.17(c) and (d)** - The Board discussed the proposed amendment to Supreme Court Rule 2.17(c) and (d) which would allow, at the Supreme Court's discretion, briefing and oral argument before the Court and make the imposition of costs upon the petitioner a discretionary decision by the Court. The amended rule may have the potential effect of shifting the cost burden from the petitioner to the Office of Disciplinary Counsel which may ultimately result in an increase in Disciplinary Board fees for all members.

Action taken: A motion was made, seconded, and carried without opposition to adopt the recommendation of the Executive Committee to submit comments to the Hawaii Supreme Court regarding proposed amendments to Rules 2.17(c) and (d) that expresses concern over the financial impact the amended rule may have upon HSBA members.

G. **NEW BUSINESS** (continued)

4. **Appointment/Reappointment to Hawaii State Board of CLE**

Action taken: A motion was made, seconded, and carried without opposition to adopt the recommendation of the Executive Committee to reappoint Jane Kwan and David Proudfoot and newly appoint Carol Egan to the Hawaii State Board of CLE for a term of 3 years beginning October 25, 2013 and expiring October 1, 2016.

- **5. **Proposed Amendment to HRPC Rule 1.5** - Board members discussed the difference between a flat fee and an availability fee to which the proposed amendment refers, and the result of the amendment, if adopted.

While the Supreme Court's original deadline for comment was noticed for November 5, 2013, the Executive Director was able to obtain approval for an extension from the Court for the submittal of comments, if any, no later than November 22, 2013.

Action taken: A motion was made, seconded, and carried without opposition to send a notice to HSBA members requesting written comments on proposed amendment to Rule 1.5 of the Hawaii Rules of Professional Conduct which seeks to clarify the manner in which attorney fees are earned.

Another motion was made, seconded, and carried without opposition to have a subcommittee of the Board study the proposed amendment to Rule 1.5, consider member comments, and make a recommendation to the Board at the November 21st meeting.

H. **ADJOURNMENT**

The meeting adjourned at 1:29 p.m.

Submitted by:



Patricia Mau-Shimizu
HSBA Executive Director

Approved by:



Ronette M. Kawakami
HSBA Secretary

**Addendum to Agenda