

VISION OF THE UTAH STATE BAR

A just legal system that is understood, valued, and accessible to all.

MISSION OF THE UTAH STATE BAR

Lawyers serving the public and legal profession with excellence,
civility, and integrity.

UTAH STATE BAR STATEMENT ON DIVERSITY AND INCLUSION

The Bar values engaging all persons fully, including persons of different ages, disabilities, economic status, ethnicities, genders, geographic regions, national origins, sexual orientations, practice settings and areas, and races and religions. Inclusion is critical to the success of the Bar, the legal profession and the judicial system.

The Bar shall strive to:

- 1. Increase members' awareness of implicit and explicit biases and their impact on people, the workplace, and the profession;*
- 2. Make Bar services and activities open, available, and accessible to all members;*
- 3. Support the efforts of all members in reaching their highest professional potential;*
- 4. Reach out to all members to welcome them to Bar activities, committees, and sections; and*
- 5. Promote a culture that values all members of the legal profession and the judicial system.*

Utah State Bar Commission Policies and Procedures

Page 40

(g) Diversity Requirements.

Providers of continuing education programs sponsored or co-sponsored by the Bar are asked to ensure that program presenters reasonably reflect the diversity of firms, geography and gender within the Bar membership. CLE program proposals may not inappropriately promote individual law firms. If the CLE Administrator is of the opinion that a program violates this prohibition, the matter shall be referred to the Executive Director for decision and any appropriate recommendation to the program provider.

BAR AWARDS

<u>AWARD</u>	<u>DUE</u>	<u>CHOSEN</u>	<u>PRESENTED</u>
1. Dorathy Merrill Brothers Award Advancement of Women in the Law	Mid-January	January	Spring Convention
2. Ray Uno Award Advancement of Minorities in the Law	Mid-January	January	Spring Convention
3. Judge of the Year	Mid-April	June	Annual Convention
4. Distinguished Lawyer of the Year	Mid-April	June	Annual Convention
5. Distinguished Section of the Year	Mid-April	June	Annual Convention
6. Distinguished Committee of the Year	Mid-April	June	Annual Convention
7. Outstanding Pro Bono Service (Selected by the Pro Bono Commission)	Mid-March	September	Fall Forum
8. Distinguished Community Member	Mid-September	September	Fall Forum
9. Pro Bono Lawyer of the Year	Mid-September	September	Fall Forum
10. Professionalism Award	Mid-September	September	Fall Forum
11. Outstanding Mentor Award	Mid-September	September	Fall Forum
12. Heart and Hands Award	Mid-September	November	Utah Philanthropy Day
13. Distinguished Service Award			As Needed
14. Special Service Award			As Needed

(Distinguished Young Lawyer of the Year)
Law Day

(ABOTA)
Fall Forum

Points From Charlotte Miller's Bar Commission Leadership Workshop (August 23, 2014)

1. Remember why you joined the Commission – what are your goals?
2. Remember your goals are probably the same and/or similar to your colleagues on the Commission, even if you think you come from a different perspective than everybody else.
3. Being on the Commission is a privilege not a chore. Develop a mindset of “I *get* to do X” instead of “I *have* to do X.”
4. Attend all Commissions meetings; study the materials beforehand. Focus 100% of your attention while there. Do not text, or do other work during Commission meetings. Be engaged. Listen carefully. Offer thoughtful comments that are in the best interest of the Bar. Follow through. Make a difference.
5. Your time on the Commission is short, especially ex-officio members. Make the most of it.
6. Remember your role: Bar staff can handle the day –to-day operations of the Bar. Your job is big picture and oversight.
7. Charlotte encouraged the Commissioners to think about what consensus means to each of them and how they should not try to undermine a decision after it is made.
8. If you do not like someone you have to work with, use strategies to get to know the person that will enable you to better work with the person or even begin to like her or him. Charlotte gave an example of making a point to speak every day with a co-worker she thought was difficult.
9. Encourage and mentor others along in Bar leadership. Remember your Bar story, which probably included an invitation from a Bar leader to help.
10. Talk often about the Bar's Vision and Mission statement, to focus your work in a way that is consistent with those statements.
11. Charlotte conducted exercises that encouraged Commissioners to think about the decision making process. Groups were given scenarios with different difficult decisions to make and asked to reach decisions while considering the following factors:
 - a. What facts do they need? Data is very important to good decision making
 - b. What should the process be?
 - c. What unwritten Bar traditions impact the final decision?
 - d. How does the culture of the Bar impact the decision?
 - e. What items in Bar governance materials are relevant to the process?

Two most important responsibilities of a Bar Commissioner

Represent the interests of the attorneys we represent; voice for division

Bar activities and initiatives be consistent with the Bar's purpose and mission.

Help fulfill vision by devoting time and intellect

Contribute ideas and work

Serve lawyers of Utah

Help accomplish goals of the commission

Represent my division and my liaison groups

Make the Bar meaningful to lawyers

Speak honestly

Contribute with ideas and feedback

Fiduciary

Forward thinking visionary

Communicate with Bar members

Have programs that assist all attorneys and advance the profession

Protect core functions

Promote access to justice and diversity

Know concerns of membership

Speak for membership

Take action on members' needs

Be conservative with bar dues

Attend the meetings

Use sound judgment

Serve community

Represent the unrepresented

Access to Justice

Work together to assist sections of the Bar

Support Rule of Law and integrity of legal system

Listen and participate

Utah State Bar Commission

Thursday, March 9, 2017

Dixie Convention Center

St. George, Utah

Agenda

12:00 Noon Lunch with Southern Utah Bar Association

1. 1:15 p.m. President's Report: Rob Rice

- | | | |
|-----------------|-----|------------------------------------------------------------------|
| <i>10 Mins.</i> | 1.1 | Review Spring Convention Schedule and Calendar: John Lund |
| <i>15 Mins.</i> | 1.2 | Report on Legislative Session |
| <i>10 Mins.</i> | 1.3 | Report on National Conference of Bar Presidents Meeting |
| <i>05 Mins.</i> | 1.4 | Update on ABA Review of OPC Operations |
| <i>05 Mins.</i> | 1.5 | Special Sun Valley Convention Award |
| <i>05 Mins.</i> | 1.6 | Update on 50 Year Pins Luncheon April 14 th |
| <i>05 Mins.</i> | 1.7 | Report on ABA President Linda Klein Visit |

2. 2:25 p.m. Action Items

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|-----------------|-----|---------------------------------------------------------------------|
| <i>15 Mins.</i> | 2.1 | Social Media Policy (Tab 1, Page 8) |
| <i>10 Mins.</i> | 2.2 | Client Security Fund 2017-2018 Assessment (Tab 2, Page 13) |

2:50 p.m. Break

3. 3:00 p.m. Information Items

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|-----------------|-----|-------------------------------------------------------------------------|
| <i>15 Mins.</i> | 3.1 | Review 2017-18 Budgeting Process: John Lund (Tab 3, Page 26) |
| <i>15 Mins.</i> | 3.2 | ABA Delegates' Report: Nate Alder, Margaret Plane, Chris Wharton |
| <i>10 Mins.</i> | 3.3 | Updates on Web Design Project and Practice Portal Web Site |
| <i>05 Mins.</i> | 3.4 | Report on Leadership Academy Selection Process |

4. 3:50 p.m. Executive Session

- | | | |
|-----------------|-----|---------------------------------------------------------------------------------------------------------------------------------|
| <i>30 Mins.</i> | 4.1 | <i>Wipfli</i> Fiscal Process Review Results and Recommendations
& Wage Comparability Study (Distributed Separately) |
|-----------------|-----|---------------------------------------------------------------------------------------------------------------------------------|

4:15 p.m. Adjourn

Consent Agenda (Tab 4, Page 29)

1. Approve Minutes of January 20, 2017 Commission Meeting
2. Approve Minutes of January 24, 2017 Conference Call Meeting

(Over)

Attachments (Tab 5, Page 34)

1. January Financial Statements

Calendar

March 9-11	Spring Convention		St. George, Utah
March 20	Election Email Message Due		
March 29-April 1	Western States Bar Conference		Lahaina, Hawaii
April 1	Election-Online Balloting Begins		
April 7	Executive Committee	12:00 Noon	Utah State Bar
April 14	Commission Meeting	9:00 a.m.	Utah State Bar
April 15	Election-Online Balloting Ends		
April 25-27	ABA Day in Washington		Washington, D.C.
May 5	Executive Committee	12:00 Noon	Utah State Bar
May 11	Admission Ceremony	12:00 Noon	State Capitol
May 12	Commission Meeting	9:00 a.m.	Logan, Utah
July 18	Executive Committee	12:00 Noon	Utah State Bar
July 26	Commission Meeting	1:00 p.m.	Sun Valley, Idaho
July 26-29	Summer Convention		Sun Valley, Idaho

TAB
1

Utah State Bar Online Content and Social Media Policy

Social Media Policy Introduction

The Utah State Bar recognizes that online services and social media platforms can be effective tools for sharing ideas, exchanging information and the promotion of Bar programs, services and goods. While implementing these technologies, the Utah State Bar seeks to ensure that use of online services meets the needs of the Bar to maintain its core values, mission statement, and unique identity. The Utah State Bar also strives to be aware of and work to minimize the actual or potential legal risks that can be caused by these services. The Utah State Bar therefore establishes the following rules and guidelines for communicating information via online platforms by Bar staff, sections, committees, Bar Commissioners, and designated agents. Violation of this policy may lead to disciplinary action up to and including termination of employment or in the case of section, committee, Bar Commissioners, and agents, removal of access privileges to Bar resources.

Utah State Bar Social Media Definition

The Utah State Bar defines “social media” broadly to include online platforms that facilitate activities such as professional or social networking, posting commentary or opinions, and sharing pictures, audio, video, or other content. “Social media” includes, but is not limited to, personal websites and all types of online communities and communications services (e.g., Facebook, Instagram, LinkedIn, Pinterest, SnapChat, Twitter, Vine, Yelp, YouTube, blogs, message boards, and chat rooms).

Utah State Bar Staff Use of Social Media

Utah State Bar Staff General Policy

Staff use of Bar social media services and platforms is covered by all Utah State Bar policies including, among others, the Utah State Bar’s Equal Employment Opportunity, No Harassment, Diversity, Confidentiality, internet, and technology use policies as found in the Utah State Bar Employee Handbook.

Bar staff shall not post content on social media that violates the Utah State Bar’s discrimination or harassment policies or that is threatening or obscene.

Bar staff may not use social media for non-business purposes while at work. Bar staff that violate Bar social media policies may be disciplined or terminated. The Bar will delete or remove content employees post on Bar social media platforms that is not legally protected and violates Bar policies.

Utah State Bar Staff Political Speech/Advocacy in Social Media

Bar staff shall not post content on any Utah State Bar social media platforms that promotes a specific political ideology or advocates a specific political point of view or political action.

Utah State Bar Staff Representations and Protections of Trademarks in Social Media

Bar staff shall not represent that the Utah State Bar has authorized them to speak on behalf of the Utah State Bar or that the Utah State Bar has approved the message unless they have received prior written authorization to do so from the Executive Director of the Utah State Bar. Bar staff that have not received this authorization are required to state explicitly, clearly, and in a prominent place on the site or in the post that views expressed are the employee's own and not those of the Utah State Bar or of any person or organization affiliated or doing business with the Utah State Bar.

Bar staff shall not illegally disparage the Utah State Bar's products or services, or the Utah State Bar's members, vendors' or partners' products or services. Bar staff shall not intentionally make maliciously false statements that denigrate the Utah State Bar's products or services, or the Utah State Bar's vendors' or partners' products or services.

Bar staff are encouraged to use social media and online platforms to promote departmental activities, goods, or services that are sponsored by the Bar. Bar staff shall not advertise or sell third party products or services via social media or online platforms without the prior written approval from the Executive Director of the Utah State Bar.

The Utah State Bar protects its copyrights, trademarks, and logos. Bar staff shall respect the laws regarding copyrights, trademarks, rights of publicity, and other third-party rights. To minimize the risk of a copyright violation, Bar staff shall reference to the source(s) of information uses and accurately cite copyrighted works that are identified in any online communications.

Bar staff shall not infringe on Utah State Bar logos, brand names, taglines, slogans, or other trademarks. Bar staff may not use the Utah State Bar's (or any of its affiliated entities') logos, brand names, taglines, slogans, or other trademarks or other protected proprietary information or property for any business or commercial venture without the review of Utah State Bar's Office of General Counsel and the written permission of the Executive Director of the Utah State Bar.

Utah State Bar Protection and Use of Premises, and Processes in Social Media

The Utah State Bar protects its premises and processes. Bar staff shall not record audio or video or take pictures of non-public areas of the Utah State Bar's premises or of the Utah State Bar's processes and display such content through social media without prior written approval from the Executive Director of

the Utah State Bar. Exceptions to this rule would be to engage in activity protected by the National Labor Relations Act including, for example, taking pictures or making recordings of health, safety, and/or working condition concerns, or work-related issues, or other protected concerted activities.

Bar staff shall not display or post video or other images of, or material about, the Utah State Bar's employees that are slanderous, proprietary, harassing, bullying, discriminatory, retaliatory, or that can create an unlawful hostile work environment. This conduct, which would not be permissible in the workplace is not permissible between or among employees online, even if done during non-work hours and away from the workplace on personal devices or home computers.

Bar staff shall not display or post video or other images of, or material about, the Utah State Bar's partners, vendors, or members without prior written approval from the Executive Director of the Utah State Bar. Under no circumstances may staff post the Utah State Bar's partners', vendors', or members personally identifying information, such as social security numbers, credit card numbers, or phone numbers. Exemptions to this rule will be to comply with Utah Court rules mandating that:

- (i) attorney public address be made available to the public; that
- (ii) formal attorney disciplinary actions be made public; and that
- (iii) attorney licenses status information be made public.

Utah State Bar Section, Committee, Bar Commissioner, or Agent Use of Social Media

Sections, committees, Utah State Bar Commissioners and designated agents are held to the same standards and policies as members of the Bar Staff.

Utah State Bar section, committee, Bar Commissioner and agent use of Bar social media services and platforms is covered by all Utah State Bar policies including, among others, the Utah State Bar's Equal Employment Opportunity, No Harassment, Diversity, Confidentiality, Internet, and technology use policies as found in the Utah State Bar Employee Handbook.

Utah State Bar section, committee, Bar Commissioner, and designated agents shall not post content on social media that violates the Utah State Bar's discrimination or harassment policies, or that is threatening or obscene.

Sections, committees, Utah State Bar Commissioners and designated agents must maintain transparency by declaring their name when using Bar social media platforms.

Utah State Bar Section, Committee and Commissioner Use of Social Media for Legislative Activity

The Utah State Bar is tasked by Utah Court rule to engage in legislative activity through the administration of the Governmental Relations Committee. Sections and committees are forbidden to

engage in legislative activity or legislative advocacy without the express written permission of the Utah State Bar Board of Bar Commissioners.

Members of sections and committees are free, and encouraged, as private citizens to participate in the political or legislative process but shall not represent that the Utah State Bar has provided any authorization to speak on behalf of the Utah State Bar or that the Utah State Bar has approved message or position. Sections and committee members are strongly encouraged to state that they are speaking as private citizens and to avoid statements implying that the Utah State Bar endorses or opposes a legislative or political position.

Utah State Bar Monitoring of Social Media Platforms

The Utah State Bar reserves the right to (and does) use software and search tools to monitor comments or discussions about it, its representatives, its products, its vendors and its partners that are posted anywhere on the internet, including social media.

Content posted or transmitted via the Bar's social media platforms by Sections, committees, Utah State Bar Commissioners and designated agents that violates Bar policies will be removed. Sections, committees, Utah State Bar Commissioners and designated agents who violate Bar policies for the use of social media platforms will be denied access and rights to use the Bar's social media platforms.

Policy for Responding to Inappropriate, Unfair, Harmful or Inflammatory Statements About the Bar, its Members, Leadership, Services or Employees.

The Utah State Bar President (or his or her designee), the Executive Director and the Communications Director should be made aware of the inappropriate, unfair, harmful or inflammatory statements or communication about the Bar. The Executive Director should take steps immediately to gather all pertinent background and factual information, including a copy of the text (whether in live or print media) of the criticism.

If after reviewing all of the background and factual information, the Executive Director and the President determine that a response is warranted, the Communications Director should draft a response for approval to the President and the Executive Director of the Utah State Bar. The form and manner of the response should be such that it will receive the same exposure and publicity as the criticism.

TAB
2

**REPORT OF THE
UTAH STATE BAR.**

Lawyers' Fund for Client Protection

Fiscal Year July 2016 – June 2017

History of the Fund for Client Protection

The Fund for Client Protection was approved and established by the Utah Supreme Court effective April 9, 1977. The fund was established to provide meaningful cost reimbursements to clients injured by a lawyer's dishonest acts. In 1990, the Committee adopted the Rules for Lawyers' Fund for Client Protection. The Supreme Court approved the rules August 3, 1990.

Mission of the Fund

The purpose of the Fund for Client Protection is to promote public confidence in the administration of justice and the integrity of the legal profession by reimbursing losses caused by the dishonest conduct of lawyers admitted and licensed to practice law in this state.

The Committee reviews claims to the Fund for Client Protection to make sure they are valid and meet the eligibility criteria stated in the rules of the program. When ten valid cases are available, hearings are scheduled to determine the amount of award, if any, that will be granted to any claimant.

Every lawyer has an obligation to the public to participate in the collective effort of the Bar to reimburse persons who have lost money or property as a result of the dishonest conduct of another lawyer. Contribution to the Lawyers' Fund for Client Protection is an acceptable method of meeting this obligation.

Each year during the licensing of Utah State Bar Members, each attorney is assessed a small fee of up to \$20.00, dependent on the amount needed to keep the fund solvent.

COMMITTEE MEMBERS

Hon. David R. Hamilton, Chair
Second District Court

Stephen W. Farr
Farr Rasmussen and Farr

James M. Hunnicutt
Dolowitz Hunnicutt, PLLC

Kathleen S. Jeffery
Sandy City

Miles P. Jensen
Olson & Hoggan, PC

Mickell Jimenez
Clyde Snow & Sessions, PC

Michael R. Labrum
1Law

Smith D. Monson
Kipp and Christian

Linda Barclay Mount
Lexis Nexis

John W. Palmer
J.D. Milner & Associates

Pamela C. Urry
Law Office of Pamela C. Urry

Benjamin T. Wilson
Digicert, Inc.

Christine Critchley, Bar Staff Liaison

Recent Changes to the Rules for Client Protection

The Utah Bar Commission was concerned about the solvency of the fund after the Fund for Client Protection Committee received numerous claims from clients of Matthew T. Graff. Because of the amount claimed, the Bar Commission requested the Supreme Court approve rule changes that included a life-time limit payout per attorney, and also a narrowed amount of time to make a claim against an attorney. It also approved other changes found in the attached copy of the Utah State Bar Fund for Client Protection Rules that were approved by the Supreme Court and went in to effect November 1, 2011. Hearings were suspended until the Committee understood what the new limits would be. This "Graff" circumstance will most likely be unique, but other cases will be affected by new rules; mainly, the one year statute of limitations in making a claim to the Fund. Because of the narrowed time limit three new claims could not be heard during the 2012–2013 fiscal year, one new claim could not be heard during the 2013–2014 fiscal year, two new claims could not be heard during the 2014–2015 fiscal year, and there were no claims affected by the narrowed statute of limitations in the 2015–2016 and 2016–2017 fiscal years.

Fiscal Year July 2016 – June 2017

As contemplated by the Utah Supreme Court Rules of Professional Practice 14-904(c) from the Fund for Client Protection a/k/a Client Security Fund, the Committee submits the following report of its activity this past year and the claims which are pending but have not yet been reviewed.

During the past fiscal year, the Committee held one meeting to hear and make recommendations regarding ten claims concerning a total of ten attorneys. The number of claims filed against any one attorney was one. The Committee has filed reports after each of its meetings. The reports detailed the claims which the Committee has reviewed and the recommendations as to those claims. Following is a brief summary of the past year's activity.

Utah State Bar Fund for Client Protection PROFIT & LOSS July 2015 through June 2016

INCOME

Fund for Client Protection Fees	\$47,535
Restitution Revenue	606
Investment Income	1,614
Total Income	49,755

EXPENSE

Claims Expenses	31,140
Bank Service Charges	560
Total Expense	31,700
Net Income	\$18,055

Total Claims Paid for Fiscal Year 2016–2017

Attorney	# of claims made to the fund	# of claims recommended for approval	total \$ claimed	total \$ paid from the fund
Bryan T. Adamson	1	1	\$5,000	\$4,500
Spencer M. Couch	1	0	\$3,500	\$0
Philip J. Danielson	1	1	\$3,995	\$3,196
J. Keith Henderson	1	1	\$2,000	\$1,000
Kyle Hoskins	1	0	\$20,000	\$0
Ross K. Moore	1	0	\$20,000	\$0
James F. Nichols	1	1	\$1,030	\$1,030
Ann L. Wasserman	1	0	\$10,000	\$0
Ryan R. West	1	1	\$14,500	\$4,300
Brenda S. Whiteley	1	1	\$12,000	\$12,000
TOTAL	10	6	\$92,025	\$26,026

Matthew T. Graff Claims

The large number of cases against Matthew T. Graff had to be heard over a three-year period. It was known that the claims would likely total more than the rules permitted to be paid against any individual attorney. Accordingly, it was decided that none of the awards would be submitted to the Bar Commission for payout until all of the cases had been heard, so that disbursement of funds amongst the claimants would be as fair as possible. Ultimately, the \$425,000 lifetime cap on Fund payouts per attorney, required that the claims against Matthew T. Graff be reduced by 11.8%. The result was as follows:

Original Graff Clients' Claims on the Fund	\$550,089
Claims Approved by the Fund for Client Protection Committee	\$481,780
After 11.8% reduction	\$425,000
Claims Paid to Date	\$425,000

Due to the \$75,000 per year limit per attorney, the Graff cases could not all be paid in one year. The Committee, therefore, recommended that any claim award that was \$5,000 or less should be paid out in full during the 2011–2012 fiscal year. It further recommended that the 24 claimants who were awarded amounts over \$5,000 should receive payments from the Fund each year for six years until their claims are satisfied. In July 2016, all final payments to Graff claimants were made.

Prospective Claims

In order to establish the appropriate amount to be assessed to its membership, the Board also needs to be made aware of the number and amounts of prospective claims. As of the date of this report, there are eight claims pending.

Prospective Claims		Amount Claimed
Cases vetted	0	\$0
Cases to be vetted	8	\$34,212
Total Prospective Claims	8	\$34,212

Utah State Bar Fund for Client Protection Fiscal Year 2017–2018 Request

Bank Balance (as of 02/28/2017)	\$257,468
Less: Approved Claims	10,196
Prospective Claims	34,212
Projected Fund Balance	\$213,060
Targeted Fund Balance	\$200,000
Projected Fund Deficiency	\$0
Current Active Attorneys	9,404
Amount Required for 2017–2018 Licensing Period	\$0
Actual Request for 2017–2018 Licensing Period	\$5.00

Conclusion

Because the Fund for Client Protection Committee recognizes its responsibility to the Court, the Bar, and its members, it carefully reviews each claim for both eligibility for payment as well as to determine the appropriate amount to be recommended for payment for each claimant. This can be seen in the information presented above.

The Fund for Client Protection provides meaningful relief to those victimized by dishonest lawyers and elevates the overall integrity of the profession. These results demonstrate that the Fund remains “simply, the right thing to do.”

Supreme Court Rules of Professional Practice

Article 9. Lawyers' Fund for Client Protection

Rule 14-901. Definitions.

As used in this article:

- (a) "Bar" means the Utah State Bar;
- (b) "Board" means the Board of Commissioners of the Utah State Bar;
- (c) "Committee" means the Committee on Lawyers' Fund for Client Protection;
- (d) "Dishonest conduct" means either wrongful acts committed by a lawyer in the nature of theft or embezzlement of money or the wrongful taking of or conversion of money, property or other things of value, or refusal to refund unearned fees received in advance where the lawyer performed no service or such an insignificant service that the refusal to return the unearned fees constitutes a wrongful taking or conversion of money; and
- (e) "Fund" means the Lawyers' Fund for Client Protection; and
- (f) "Supreme Court" means the Utah Supreme Court.

Rule 14-902. Purpose and scope; establishment of Fund.

- (a) The Fund is established to reimburse clients for losses caused by the dishonest conduct committed by lawyers admitted to practice in Utah.
- (b) The purpose of the Fund is to promote public confidence in the administration of justice and the integrity of the legal profession by reimbursing losses caused by the dishonest conduct of lawyers admitted and licensed to practice law in Utah, occurring in the course of the lawyer/client or fiduciary relationship between the lawyer and the claimant.
- (c) Every lawyer has an obligation to the public to participate in the collective effort of the Bar to reimburse persons who have lost money or property as a result of the dishonest conduct of another lawyer. Contribution to the Fund is an acceptable method of meeting this obligation.
- (d) These rules shall be effective for claims filed after August 1990, and the Committee, which was previously authorized under the former resolution, may act under the terms of the former resolution on claims filed prior to the effective date of these rules.

Advisory Committee Notes

By resolution of the Board of Commissioners of the Utah State Bar, a Client Security Fund was approved and established by the Supreme Court, effective April 9, 1977. The Fund was established to provide meaningful, prompt cost reimbursements to clients who had been injured by a lawyer's dishonest act. The original resolution did not provide sufficient rules and/or guidelines for the Committee that was embodied by the resolution to utilize in making its recommendations to the Board of Bar Commissioners. The American Bar Association has adopted, as of August 9, 1989, Model Rules for Lawyers' Fund for Client Protection. The following Rules adopt many of the principles from the American Bar Association Model Rules, as well as features from other states and from the prior resolution of the Board of Commissioners of the Utah State Bar, as approved by the Supreme Court.

Rule 14-903. Committee membership and terms; Board approval of Committee recommendations.

(a) The Committee shall consist of five lawyers, each to function for a period of five years. The initial membership of the Committee shall be comprised of those individuals who are members of the Committee existing under the former resolution at the time of the adoption of these rules. Subsequent appointments shall be for a term of three years or the term uniformly determined for all Committee members by the Board. Vacancies shall be filled by appointment by the president of the Bar, with the approval of the Board, for the unexpired term.

(b) The Board shall retain the capacity to make any final determination after considering the recommendations of the Committee. The Board, functioning with regard to the Fund, is under the supervision of the Supreme Court.

Rule 14-904. Funding.

(a) The Supreme Court shall provide for funding by the lawyers licensed in this state in amounts adequate for the proper payment of claims and costs of administering the Fund subject to paragraph (c).

(b) All determinations with regards to funding shall be within the discretion of the Board, subject to approval of the Supreme Court.

(c) The Bar shall have the authority to assess its members for purposes of maintaining the Fund at sufficient levels to pay eligible claims in accordance with these rules. The Committee shall report annually to the Commission on a timely basis as to known prospective claims as well as total claims paid to date so that an appropriate assessment can be made for the upcoming fiscal year. After the assessment at the beginning of the fiscal year is determined, the Fund balance shall be set in an amount of not less than \$200,000. The Bar shall then report to the Supreme Court as to known prospective claims as well as total claims paid to date after which the final assessment and fund balance shall be set with the Court's approval.

(d) A lawyer's failure to pay any fee assessed under paragraph (c) shall be cause for administrative suspension from practice until payment has been made.

(e) Any lawyer whose actions have caused payment of funds to a claimant from the Fund shall reimburse the Fund for all monies paid out as a result of his or her conduct with interest at legal rate, in addition to payment of the assessment for the procedural costs of processing the claim and reasonable attorney fees incurred by the Bar's Office of Professional Conduct or any other attorney or investigator engaged by the Committee to investigate and process the claim as a condition of continued practice.

(e)(1) In discipline cases where a lawyer receives a public reprimand and the Fund pays an eligible claim, the lawyer's license to practice shall be administratively suspended for non-payment until reimbursement to the Fund has been made by the lawyer.

Rule 14-905. Segregated bank account.

All monies or other assets of the Fund including accrued interest thereon shall be held in the name of the Fund in a bank account segregated from all other accounts of the Bar or any committees or sections, subject to the direction of the Board.

Rule 14-906. Committee meetings.

(a) The Committee shall meet as frequently as necessary to conduct the business of the Fund and to timely process claims.

(b) The chairperson shall call a meeting at any reasonable time, or upon the request of at least two Committee members.

(c) A quorum of any meeting of the Committee shall be three members.

(d) Minutes of the meeting shall be taken and permanently maintained.

Rule 14-907. Duties and responsibilities of the committee.

The Committee shall have the following duties and responsibilities:

- (a) to receive, evaluate, determine and make recommendations to the Board relative to the individual claims;
- (b) to promulgate rules of procedure not inconsistent with these rules;
- (c) to provide a full report, at least annually, to the Board and to make other reports as necessary;
- (d) to publicize its activities to the public and the Bar, subject to approval of the Board ;
- (e) to appropriately utilize Bar staff to assist in the Committee's performance of its functions effectively and without delay;
- (f) to engage in studies and evaluations of programs for client protection and the prevention of dishonest conduct by lawyers; and
- (g) to perform all other acts necessary or proper for the fulfillment of the purposes of the Fund and its effective administration.

Rule 14-908. Conflict of interest.

- (a) A Committee member who has or has had a lawyer-client relationship or a financial relationship with a claimant or lawyer who is the subject of a claim shall not participate in the investigation or adjudication of a claim involving that claimant or lawyer.
- (b) A Committee member with a past or present relationship, other than as provided in paragraph (a), with a claimant or the lawyer whose alleged conduct is the subject of a claim, shall disclose such relationship to the Committee and, if the Committee deems appropriate, that Committee member shall not participate in any proceeding relating to such claim.

Rule 14-909. Immunity.

The Committee members, employees and agents of the Bar and claimant and lawyers who assist claimants are absolutely immune from civil liability for all acts in the course of their duties.

Rule 14-910. Eligible claim.

- (a) The loss must be caused by the dishonest conduct of the lawyer and shall have arisen out of the course of a lawyer/client or fiduciary relationship between the lawyer and the claimant and by reason of that relationship.
- (b) The claim for reimbursement shall be filed within one year after the date of the final order of discipline.
- (b)(1) In cases of the lawyer's death, the claim for reimbursement shall be filed within one year of the lawyer's date of death.
- (b)(2) In cases of the lawyer's formal disability, the claim for reimbursement shall be filed within one year of the date of the order of disability.
- (c) If the subject of the application for reimbursement from the Fund is or arises out of loss occasioned by a loan or an investment transaction with a lawyer, each loss will not be considered reimbursable from the Fund unless it arose out of and in the course of the attorney/client relationship; and but for the fact that the dishonest lawyer enjoyed an attorney/client relationship with the claimant, such loss could not have occurred. In considering whether that standard has been met the following factors will be considered:
 - (c)(1) the disparity in bargaining power between the lawyer and the client in their respective educational backgrounds in business sophistication;
 - (c)(2) the extent to which the lawyer's status overcame the normal prudence of the claimant;
 - (c)(3) the extent to which the lawyer, by virtue of the attorney/client relationship with the claimant, became privy to information as to the client's financial affairs. It is significant if the lawyer knew of the fact that the client had available assets or was expecting to receive assets which were ultimately wrongfully converted by the lawyer;

(c)(4) whether a clear majority of the service arose out of a relationship requiring a license to practice law in Utah, as opposed to one that did not. In making this evaluation, consideration will be given to:

(c)(4)(A) whether the transaction originated with the lawyer;

(c)(4)(B) the reputation of the lawyer as to scope and nature of his/her practice and/or business involvement;

(c)(4)(C) the amount of the charge made for legal services, if any, compared to that for a finder's fee, if any; and

(c)(4)(D) the number of prior transactions of either a similar or different nature in which the client participated, either with the lawyer involved or any other lawyer, person or business organization;

(c)(5) the extent to which the lawyer failed to make full disclosure to the client in compliance with the Utah Rules of Professional Conduct, including disclosure of the lawyer's financial condition and his/her intended use of the funds.

(d) Exceptions. Except as provided by paragraph (e), the following losses shall not be reimbursed:

(d)(1) loss incurred by spouses, children, parents, grandparents, siblings, partners and associates of the lawyer;

(d)(2) losses covered by any bond, surety, agreement or insurance contract to the extent covered thereby, including any loss to which any bonding agent, surety or insurer is subrogated to the extent of that subrogated interest;

(d)(3) losses of any financial institution which are recoverable under a "Banker's Blanket Bond" or similar commonly available insurance or surety contract;

(d)(4) any business entity controlled by the lawyer or any person or entity described in paragraph (d)(1);

(d)(5) any governmental entity or agency;

(d)(6) any assigned claims, third party claims, claims of heirs or estates of deceased claimants;

(d)(7) any claims where claimant has failed to exhaust all other reasonably available services or recovery methods;

(d)(8) any investment losses, as distinguished from lawyer fees, which might reasonably be characterized as:

(d)(8)(A) any pyramid or ponzie scheme;

(d)(8)(B) any investment in or loan to any offshore entity;

(d)(8)(C) any investment in or loan to an entity that claims that a benefit to the investor would be the evasion, avoidance, reduction or other sheltering of taxes that would be otherwise assessed on the investment; or

(d)(8)(D) any investment that promises such a high rate of return that a reasonable and prudent person would suspect that the venture is of unusually high risk.

(e) In cases of extreme hardship or special and unusual circumstances, the Committee may, in its discretion, recognize a claim which would otherwise be excluded under these rules.

Rule 14-911. Procedures and form; responsibilities of claimants to complete form.

(a) The Committee shall prepare and approve a form of claim for reimbursement.

(b) The form shall include at least the following information provided by the claimant under penalty of perjury:

(b)(1) the claimant's name and address, home and business telephone, occupation and employer, and social security

number for purposes of subrogation and tax reporting;

(b)(2) the name, address and telephone number of the lawyer who has dishonestly taken the claimant's money or property;

(b)(3) the legal or other fiduciary services the lawyer was to perform for the client;

(b)(4) how much was paid to the lawyer;

(b)(5) the copy of any written agreement pertaining to the claim;

(b)(6) the form of the claimant's loss involved (e.g. money, securities or other property) and the attachment of any documents that evidence the claimed loss such as cancelled checks, title instruments, deeds or stock certificates;

(b)(7) the amount of loss and the date when the loss occurred;

(b)(8) the date when the claimant discovered the loss and how the claimant discovered the loss;

(b)(9) the lawyer's dishonest conduct and the names and addresses of any persons who have knowledge of the loss;

(b)(10) identification of whom the loss has been reported to (e.g. county attorney, police, disciplinary agency, or other person or entity), and a copy of any complaint and description of any action that was taken;

(b)(11) the source, if any, from which the loss could be reimbursed, including any insurance, fidelity or surety agreement;

(b)(12) the description of any steps taken to recover the loss directly from the lawyer or any other source;

(b)(13) the circumstances under which the claimant has been, or will be, reimbursed for any part of the claim (including the amount received or to be received, and the source), along with a statement that the claimant agrees to notify the Committee of any reimbursements the claimant receives during the pendency of the claim;

(b)(14) the existence of facts believed to be important to the Committee's consideration of the claim;

(b)(15) the manner in which the claimant learned about the Fund;

(b)(16) the name, address and telephone number of the claimant's present lawyer, if any;

(b)(17) the claimant's agreement to cooperate with the Committee in reference to the claim, as required by the Utah or Federal Rules of Civil Procedure, in reference to civil actions which may be brought in the name of the Bar, pursuant to a subrogation and assignment clause, which shall also be contained within the claim;

(b)(18) the name and address of any other state fund to which the claimant has applied or intends to apply for reimbursement, together with a copy of the application; and

(b)(19) the statement that the claimant agrees to the publication of appropriate information about the nature of the claim and the amount of reimbursement, if reimbursement is made.

(c) The claimant shall have the responsibility to complete the claim form and provide satisfactory evidence of a reimbursable loss.

(d) The claim shall be filed with the Committee by providing the same to the Utah State Bar, Lawyers' Fund for Client Protection at the Law and Justice Center, 645 South 200 East, Salt Lake City, Utah 84111.

Rule 14-912. Processing claims.

(a) Whenever it appears that a claim is not eligible for reimbursement pursuant to these rules, the claimant shall be

advised of the reasons why the claim may not be eligible for reimbursement, and that unless additional facts to support eligibility are submitted to the Committee, the claim file shall be closed. The chairperson of the Fund may appoint any member of the Committee and/or his/herself to determine the eligibility of claims.

(b) A certified copy of an order disciplining a lawyer for the same dishonest act or conduct alleged in the claim, or a final judgment imposing civil or criminal liability therefor, shall be evidence that a lawyer committed such dishonest act or conduct.

(c) The Bar's Office of Professional Conduct Senior Counsel shall be promptly notified of each and every claim.

(d) The lawyer alleged to have engaged in dishonest conduct shall be provided a copy of the claim and given an opportunity to respond in writing within 20 days of the receipt thereof to the Committee.

(e) The Committee may request that testimony be presented. The lawyer or lawyer's representative shall be given an opportunity to be heard if they so request within 20 days of receiving a notice from the Committee that the Committee will process the claim.

(f) The Committee may make a finding of dishonest conduct for purposes of adjudicating a claim. Such a determination is not a finding of dishonest conduct for the purposes of professional discipline and further, represents only a recommendation to the Board. A claim may only be considered if the individual lawyer involved has been disciplined to a threshold level of a public reprimand or is no longer in practice.

(g) The claim shall be determined on the basis of all available evidence, and notice shall be given to the claimant and the lawyer of the final decision by the Board after a recommendation has been made by the Committee. The recommendation for approval or denial of a claim shall require the affirmative votes of at least a majority of the Committee members and a quorum of the voting members of the Board.

(h) Any proceeding upon a claim shall not be conducted according to technical rules relating to evidence, procedure and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely on in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in court proceedings. The claimant shall have the duty to supply relevant evidence to support the claim.

(i) The Board shall determine the order and manner of payment and pay those claims it deems meritorious, but unless the Board directs otherwise, no claim should be approved during the pendency of a disciplinary proceeding involving the same act or conduct as alleged in the claim; specifically, no determination and/or hearing shall take place until such time that all disciplinary proceedings have, in fact, been completed.

(j) Both the claimant and the lawyer shall be advised of the status of the Board's consideration of the claim and after having received the recommendation of the Committee, also shall be informed of the final determination.

(k) The claimant may request reconsideration within 30 days of the denial or determination of the amount of the claim.

Rule 14-913. Payment of reimbursement.

(a) The Board may, from time to time, fix a maximum amount of reimbursement that is payable by the Fund. Initially, the maximum amount shall be \$10,000 per claim and \$25,000 total dollars within any given calendar year with regards to an individual lawyer.

(a)(1) There shall be a lifetime claim limit of \$425,000 per lawyer.

(b) Claimant shall be reimbursed for losses in amounts to be determined by the Board after recommendations by the Committee. Reimbursement shall not include interest and other incidental and out-of-pocket expenses.

(c) Payment of reimbursement shall be made in such amounts and at such time as the Board approves and may be paid in lump sum or installment amounts. In the event that the Committee determines that there is a substantial likelihood that claims against the lawyer may exceed either the annual or lifetime claim limits, claims may be paid on a pro rata basis or otherwise as the Board and the Committee determine is equitable under the circumstances.

(d) If a claimant is a minor or an incompetent, the reimbursement may be paid to any proper and legally recognized person or authorized entity for the benefit of the claimant.

Advisory Committee Notes

Rule 14-913 Amendment Note: The Bar changed from a calendar year to a fiscal year (July 1 to June 30) in 1990.

The Board approved increasing the yearly per claim award limit from \$10,000 to \$20,000 and to eliminate the yearly per lawyer claim limit of \$25,000 on December 1, 2000.

The Board voted to reinstate the yearly lawyer cap of \$25,000 on June 8, 2001.

The Board voted to raise the yearly per lawyer cap to \$50,000 from the previously reinstated \$25,000 cap on December 7, 2001.

The Board voted to raise the yearly per lawyer cap to \$75,000 on October 29, 2010.

Rule 14-914. Reimbursement from the fund as a matter of grace.

No person shall have a legal right to reimbursement from the Fund, whether as claimant, beneficiary or otherwise, and any payment is a matter of grace.

Rule 14-915. Restitution and subrogation.

(a) A lawyer whose dishonest conduct results in reimbursement to a claimant shall be liable to the Fund for restitution, and the Bar may bring such action as it deems advisable to enforce such obligation.

(b) As a condition of reimbursement, a claimant shall be required to provide the Fund with a pro tanto transfer of the claimant's rights against the lawyer, the lawyer's legal representative, estate or assigns; and of claimant's rights against any third party or entity who may be liable for the claimant's loss.

(c) Upon commencement of an action by the Bar as subrogee or assignee of a claim, it shall advise the claimant, who may then join in such action to recover the claimant's unreimbursed losses.

(d) In the event the claimant commences an action to recover unreimbursed losses against the lawyer or any other entity who may be liable for the claimant's loss, the claimant shall be required to notify the Bar of such action.

(e) The claimant shall be required to agree to cooperate in all efforts that the Bar undertakes to achieve restitution for the Fund.

Rule 14-916. Confidentiality.

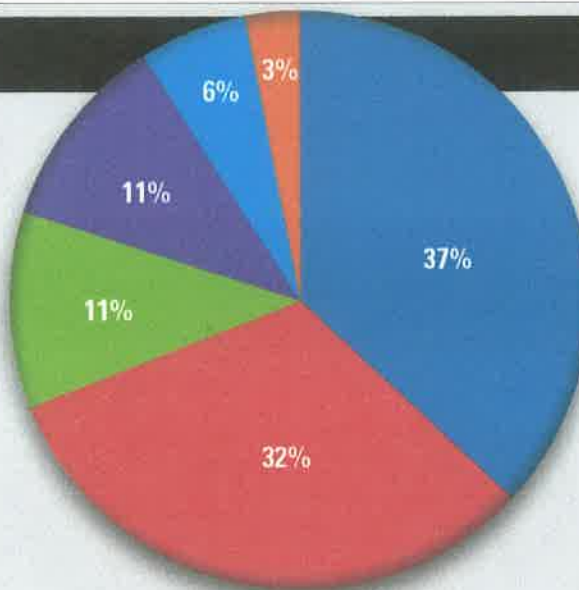
Claims, proceedings and reports involving claims for reimbursement are confidential until the Committee recommends and final determination is made by the Board, authorizing reimbursement to the claimant, except as provided below. After payment of the reimbursement, the Board may publicize the nature of the claim, the amount of reimbursement and the name of the lawyer. The name and address of the claimant shall not be publicized by the Bar, unless specific permission has been granted by the claimant.

Updated November 1, 2011

TAB
3

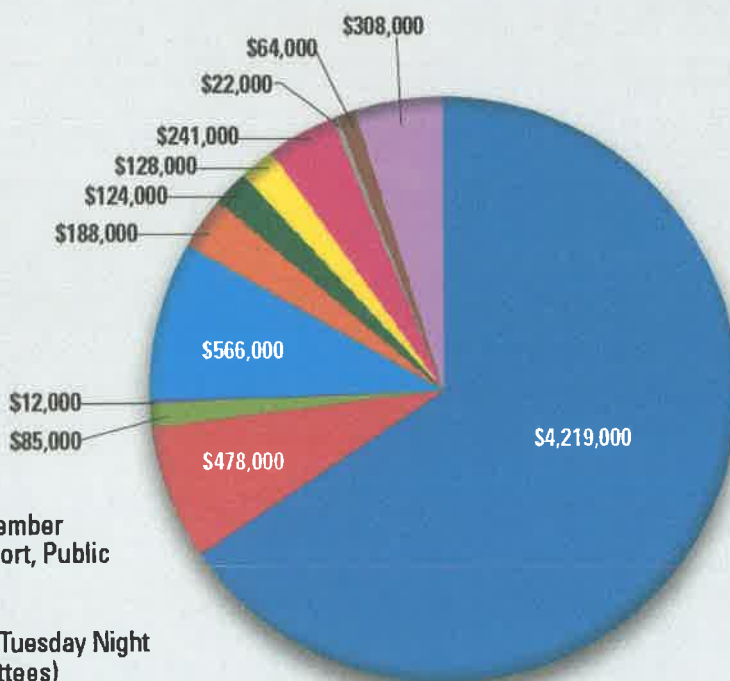
Where Do My Bar Dues Go?

- Bar Operations (Management, Commission, Finance, General Counsel, IT)
- Office of Professional Conduct
- Member Services (Bar Journal, Member Benefits, Legislative, Section Support, Public Education, YLD)
- Public Services (Access to Justice, Tuesday Night Bar, Consumer Assistance, Committees)
- Facilities
- Contingency & Building Reserves



Budgeted Revenue by Department for the Fiscal Year Ending June 30, 2017

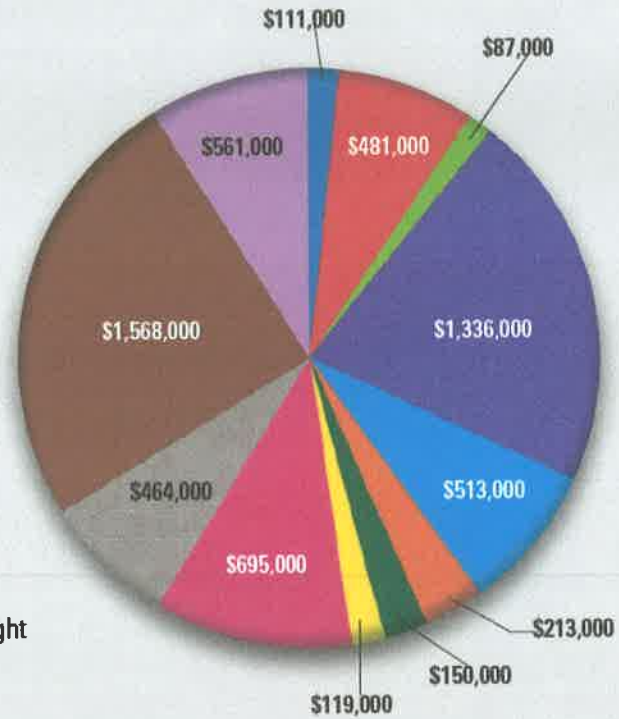
- Licensing
- Admissions
- New Lawyer Training Program
- Office of Professional Conduct
- Continuing Legal Education
- Summer Convention
- Fall Forum
- Spring Convention
- Member Services (Bar Journal, Member Benefits, Legislative, Section Support, Public Education, YLD)
- Public Services (Access to Justice, Tuesday Night Bar, Consumer Assistance, Committees)
- Bar Operations (Management, Commission, Finance, General Counsel, IT)
- Facilities



Total Budgeted Revenue: \$6,435,000

Budgeted Expenses by Department for the Fiscal Year Ending June 30, 2017

- Licensing
- Admissions
- New Lawyer Training Program
- Office of Professional Conduct
- Continuing Legal Education
- Summer Convention
- Fall Forum
- Spring Convention
- Member Services (Bar Journal, Member Benefits, Legislative, Section Support, Public Education, YLD)
- Public Services (Access to Justice, Tuesday Night Bar, Consumer Assistance, Committees)
- Bar Operations (Management, Commission, Finance, General Counsel, IT)
- Facilities



Total Budgeted Expenses: \$6,298,000

TAB
4

**UTAH STATE BAR
BOARD OF BAR COMMISSIONERS
MINUTES**

JANUARY 20, 2017

UTAH LAW & JUSTICE CENTER – SALT LAKE CITY, UTAH

In Attendance: President Rob Rice, President-elect John Lund, Commissioners: John Bradley, Steven Burt, H. Dickson Burton, Kate Conyers, Heather Farnsworth, Liisa Hancock, Michelle Mumford, Herm Olsen, Cara Tangaro, Heather Thuet, and Katie Woods.

Ex-Officio Members: Dean Robert Adler, Julie Emery, Amy Fowler, Jaelynn Jenkins, Angelina Tsu, Chris Wharton, and Supreme Court Liaison James Ishida.

Not in Attendance: Commissioners: S. Grace Acosta, Mary Kay Griffin; Ex-Officio Members: Nate Alder, Margaret Plane, Dean Gordon Smith, and Noella Sudbury. General Counsel Elizabeth A. Wright.

Also in Attendance: Executive Director John C. Baldwin, Assistant Executive Director Richard Dibblee. Abby Dizon-Maughan (UMBA representative) attended on behalf of Michelle Kennedy.

Minutes: 9:05 a.m. start

1. President's Report: Rob Rice

- 1.1 Recognize Barbara Townsend's 10 Years of Service in OPC.** John Baldwin introduced Barbara and gave a brief history of her career. The Commission thanked her for her service.
- 1.2 Review Phone Conference Calendar & Legislative Breakfast.** Rob Rice reviewed the schedule of conference calls and the Breakfast with Lawyer Legislators and other leadership in the Legislature set for February 1st.
- 1.3 Appointment of Leadership Academy Chair.** Rob announced the appointment of Angelina Tsu as chair of the Leadership Academy Board and noted that Liisa Hancock will no longer be serving as Commission Liaison to the Academy Board.
- 1.4 Futures Commission Government Sign On Portal.** Representative Bruce Cutler and others from the state's technical groups made a presentation to the Bar Commission on a one-stop sign-in portal to enable business owners to consolidate access to state licensure and tax information. Rob indicated the use of the portal

was a recommendation of the Futures Commission and Rep. Cutler's presentation was received favorably by the Bar Commission.

2. Action Items

- 2.1 **Nominate Bar President-Elect Candidate.** Rob indicated that H. Dickson Burton was the only person to express interest in being nominated for President-elect. **Herm Olsen** moved and **Heather Farnsworth** seconded that Dickson be nominated to run for President-elect in an uncontested retention election. **The motion passed.**
- 2.2 **Select Dorathy Merrill Brothers and Raymond S. Uno Awards.** The Commission reviewed nominations for the Dorathy Merrill Brothers Award. After kind words were said about each nominee, **Heather Thuet** made a motion that **Judge Michele Christiansen** be selected for the award. **Heather Farnsworth** seconded the motion. **The motion passed.** The Commission reviewed nominations for the Raymond S. Uno Award. After discussion about each nominee, **Kate Conyers** made a motion that **Judge Vernice Trease** be selected for the award. **Heather Farnsworth** seconded the motion. **The motion passed.**
- 2.3 **Select Representative on Utah Sentencing Commission.** The Commission reviewed the applications to serve as the Bar's *Adult Criminal Defense Representative* on the Utah Sentencing Commission. A motion was made by **John Lund** and **John Bradley** seconded the motion to appoint **Camille Neider** to serve the one-year term. **The motion passed.**
- 2.4 **Approve EKR Web Redesign.** The recent recommendation from EKR was distributed and a brief discussion ensued. The Commission put off a decision for future discussion at the Tuesday, January 24 legislative conference call.
- 2.5 **Approve Practice Portal.** The bid from Euclid regarding the development of a new practice portal was distributed and reviewed. After some discussion, the Commission decided to put off further consideration and a decision until the Tuesday, January 24 legislative conference call.
- 2.6 **Approve Committee Chair Succession Planning Policy.** **Kate Conyers** moved and **Katie Woods** seconded to approve the Committee Chair Succession Planning Policy as written. **The motion passed.**
- 2.7 **Confirm Fall Forum Schedule.** John Lund led a discussion on the Fall Forum schedule and proposed that the Fall Forum be reduced to a one-day event following CLE seminars presented the preceding day (Thursday) to be put on by the Bar's Sections. The UMBA Banquet would continue to be incorporated on Thursday night. After discussions regarding registration fees, attendance

numbers, and financial information, it was moved and seconded to change the Fall Forum schedule to one day. **The motion passed.**

3. Information Items

- 3.1 **Report on *LicensedLawyer* Marketing.** Sean Toomey led a discussion on the marketing of *LicensedLawyer*.
- 3.2 **Futures Commission Recommendation.** The Commission reviewed Elizabeth Wright's memorandum on Rule 5.4 of the Rules of Professional Conduct which limits the ownership of law firms. **John Lund** made a motion to form a committee to review the issue. **Cara Tangaro** seconded the motion. **The motion passed.** **H. Dickson Burton, Liisa Hancock, Michelle Mumford, and Heather Farnsworth** agreed to serve on the committee.
- 3.3 **Spring Convention Report.** John Lund reminded Commissioners of the Spring Convention schedule.
- 3.4 **Futures Commission Report.** In the interest of time, further discussion was deferred.

The meeting adjourned at 12:30 pm.

Consent Agenda

- 1. **Approved the Minutes from the December 9, 2016 Commission Meeting.**

Handouts:

- 1. **EKR Web Redesign Recommendation**
- 2. **Euclid Practice Portal Development Recommendation**

**UTAH STATE BAR
BOARD OF BAR COMMISSIONERS
MINUTES**

JANUARY 24, 2017

**SPECIAL COMMISSION MEETING VIA TELECONFERENCE
4:00 P.M.**

In Attendance: President Rob Rice, President-elect John Lund; Commissioners Heather Farnsworth, John Bradley, Liisa Hancock, Michelle Mumford, H. Dickson Burton, Kate Conyers; Executive Director John Baldwin.

- Minutes:**
1. After discussion on the bid from EKR to redesign the Bar's website, **John Lund** made a motion and **Kate Conyers** seconded the motion to approve EKR's bid. **The motion passed.**
 2. After discussion on the bid from Euclid to create a "practice portal," **John Bradley** made a motion and **Michelle Mumford** seconded the motion to approve the bid. **The motion passed.**
 3. After discussion on sources of budgeting for these projects, **Kate Conyers** moved and **John Lund** seconded the motion to fund the EKR project from the Capital budget and to fund the Euclid project from the Public Education budget.

Meeting adjourned at 4:35 p.m.

TAB
5

UTAH STATE BAR
Budget and Finance Committee
Highlights of the January 2017 Financial Statements

FINANCIAL STATEMENT HIGHLIGHTS

Year-to-Date (YTD) Net Profit – Accrual Basis:

	Actual	Budget	Fav(unfav) \$ Variance	Fav(unfav) % Variance
YTD revenue	5,435,426	5,351,244	84,182	2%
YTD expenses	3,555,181	3,646,805	91,624	3%
YTD net profit	1,880,244	1,704,439	175,805	10%

YTD net profit is \$1.9 million, which is \$176,000 (10%) ahead of budget. YTD revenue is \$84,000 (2%) ahead of budget mainly due to higher than budgeted Licensing, CLE and Investment income. YTD expenses are \$92,000 under budget mainly due to lower Licensing, CLE and Member Services expenses.

YTD Net Profit –Cash Basis: Adding back year-to-date depreciation expense of \$132,000 and deducting capital expenditures of \$25,000, the cash basis year-to-date net profit is approximately \$108,000 higher.

Licensing: At the end of January there were 9,344 and 2,770 active and inactive attorneys, respectively, for a total of 12,114 licensed attorneys. This number is up 2.5% from last year at this time. YTD Licensing revenue is just over \$4.1 million, which is \$25,000 (1%) ahead of budget while Licensing expenses total \$47,000, or \$15,000 (25%) below budget. The lower spending is largely the result of staffing efficiencies.

Admissions: YTD Admissions revenue is \$188,000 which is approximately \$14,000 or 7% under budget, and, \$35,000 below where it was at this time last year mainly due to lower student and attorney exam fees. It is estimated that 131 people will sit for the Feb. 2017 Bar exam compared to 152 in Feb. 2016 (a 14% decline). Admissions expenses are \$282,000, or \$5,000 (2%) over budget due to higher ExamSoft fees and admissions ceremony expenses, partially offset by lower member database expenses.

NLTP: The NLTP Program has incurred a YTD loss of \$5,000 compared to budgeted YTD net income of \$6,000. The \$11,000 unfavorable variance is mainly a result of lower NLTP fees collected this year relative to budget and a loss incurred on an NLTP Ethics training seminar.

OPC: OPC spending it on track for the year at \$771,000.

CLE: CLE YTD revenue is \$324,000 compared to budgeted revenue of \$230,000. CLE expenses are under budget at \$190,000 compared to budget of \$215,000. These variances mainly result from timing differences between when event revenue is collected and expenses are incurred relative to the months in which they're budgeted.

Summer Convention: Summer Convention revenue of \$189,000 was just over the \$188,000 budget. Expenses are right on budget, but it is estimated that an additional \$10,000 in meeting, staff and overhead expenses will be incurred throughout the remainder of the fiscal year bringing the net loss for the year closer to \$20,000.

UTAH STATE BAR
Budget and Finance Committee
Highlights of the January 2017 Financial Statements

Fall Forum: Fall Forum revenue of \$129,000 exceeded the budget of \$124,000 mainly due to higher than budgeted registration revenue. Expenses total \$157,000 compared to budgeted expenses of \$148,000 due to higher food and beverage expenses.

Spring Convention: Spring Convention revenue is \$12,000 ahead of the YTD budget at \$44,000. It is also \$9,000 ahead of where it was at this time last year, however, this is likely just a timing discrepancy. YTD Spring Convention expenses are in line with the budget.

Member Services: Member Services revenue is \$19,000 (10%) under budget due mainly to lower than expected Bar Journal advertising revenue. Member Services expenses are \$38,000 (10%) under budget due in large part to lower than budgeted advertising expenses.

Public Services: Public Services spending is on track for the year at \$281,000.

Bar Operations: Bar Operations YTD revenue is \$17,000 higher than budget mainly due to higher than budgeted investment income. YTD spending is just under budget with some areas being over budget (travel, food & beverage, and convention registration for staff and Commissioners who the Summer Convention) and some areas being under budget (lower spending on salaries/benefits, database maintenance expenses, and outside consultants).

Facilities: Revenue from facilities usage continues to decline compared to prior years and is \$32,000 or 20% below budget thus far this year due to fewer events taking place at the Law & Justice Center. Likewise, YTD expenses are \$19,000 under budget as a result of fewer events. Below is a summary of facility usage by event type for the first seven months of this year compared to the same period the last two years:

Event Type	YTD through January 31		
	FY17	FY16	FY15
Outside groups:			
Commercial	23	30	7
Educational	28	56	71
Governmental/regulatory	11	35	77
NFP	165	179	222
Other	-	-	-
Total outside groups	227	300	377
CLE events	52	34	49
Section events	92	98	136
MCLE	1	2	1
Total excluding internal/committees	372	434	563
<i>Decline compared to prior year</i>	-14%	-23%	
Committees/internal events	350	388	358
Total events	722	822	921
<i>Decline compared to prior year</i>	-12%	-11%	

Utah State Bar Income Statement January 31, 2017

	Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
Revenue							
Licensing	4,106,011	4,136,948	4,111,719	25,229	101%	4,219,089	98%
Admissions	222,410	187,531	201,330	(13,799)	93%	478,106	39%
NLTP	52,200	46,993	55,602	(8,609)	85%	85,000	55%
OPC	1,224	7,176	769	6,407	933%	12,000	60%
CLE	219,732	324,324	230,038	94,286	141%	566,000	57%
Summer Convention	194,539	189,012	188,000	1,012	101%	188,000	101%
Fall Forum	118,251	129,261	124,150	5,111	104%	124,150	104%
Spring Convention	35,631	44,164	32,206	11,958	137%	128,000	35%
Member Services	109,041	176,810	196,233	(19,423)	90%	241,027	73%
Public Services	10,010	6,735	10,035	(3,300)	67%	21,747	31%
Bar Operations	40,646	54,475	37,097	17,378	147%	63,535	86%
Facilities	146,245	131,998	164,065	(32,067)	80%	308,442	43%
Total Revenue	5,255,940	5,435,426	5,351,244	84,182	102%	6,435,096	84%
Expenses							
Licensing	55,997	46,608	61,778	15,170	75%	110,732	42%
Admissions	267,897	282,327	277,475	(4,852)	102%	481,145	59%
NLTP	46,887	51,883	49,679	(2,204)	104%	87,053	60%
OPC	738,796	777,980	776,701	(1,279)	100%	1,336,238	58%
CLE	212,631	189,669	215,205	25,536	88%	513,282	37%
Summer Convention	209,822	198,499	198,387	(112)	100%	212,766	93%
Fall Forum	141,224	157,101	148,216	(8,885)	106%	150,462	104%
Spring Convention	19,033	16,437	19,732	3,295	83%	118,917	14%
Member Services	333,823	339,683	377,836	38,153	90%	692,407	49%
Public Services	283,072	287,441	292,854	5,413	98%	463,948	62%
Bar Operations	839,199	923,492	926,156	2,664	100%	1,570,151	59%
Facilities	286,073	284,062	302,786	18,724	94%	560,681	51%
Total Expenses	3,434,454	3,555,181	3,646,805	91,624	97%	6,297,782	56%
Net Profit (Loss)	\$ 1,821,486	\$ 1,880,244	\$ 1,704,439	\$ 175,805	110%	\$ 137,314	1369%
Depreciation	127,470	132,458	135,788	3,330	98%	242,215	
Cash increase (decrease) from operations	1,948,956	2,012,702	1,840,227	172,475	109%	379,529	
Changes in operating assets/liabilities	(2,324,102)	(2,336,943)	(2,336,943)	-	100%	20,000	
Capital expenditures	(36,739)	(24,552)	(107,333)	82,782	23%	(184,000)	
Net change in cash	\$ (411,885)	\$ (348,793)	\$ (604,049)	\$ 255,256	58%	\$ 215,529	-162%

Utah State Bar Licensing

January 31, 2017

	Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
Revenue							
4010 · Section/Local Bar Support fees	19,878	16,580	19,195	(2,615)	86%	20,367	81%
4021 · Lic Fees > 3 Years	3,372,745	3,438,350	3,424,333	14,017	100%	3,456,892	99%
4022 · Lic Fees < 3 Years	259,030	230,040	242,364	(12,324)	95%	265,924	87%
4023 · Lic Fees - House Counsel	21,110	26,335	20,005	6,330	132%	22,715	116%
4025 · Pro Hac Vice Fees	46,250	33,250	44,051	(10,801)	75%	71,910	46%
4026 · Lic Fees - Inactive/FS	106,400	111,200	106,908	4,292	104%	107,661	103%
4027 · Lic Fees - Inactive/NS	196,330	206,255	197,395	8,860	104%	200,578	103%
4029 · Prior Year Lic Fees	430	3,646	774	2,872	471%	2,096	174%
4030 · Certs of Good Standing	13,170	14,750	13,371	1,379	110%	23,950	62%
4095 · Miscellaneous Income	1,048	1,141	1,228	(87)	93%	1,996	57%
4096 · Late Fees	69,620	55,400	42,095	13,305	132%	45,000	123%
Total Revenue	4,106,011	4,136,948	4,111,719	25,229	101%	4,219,089	98%
Expenses							
Program Services	-	-	-	-	-	-	-
Salaries & Benefits	34,940	26,733	38,252	11,519	70%	61,955	43%
General & Administrative	17,760	16,449	20,053	3,604	82%	42,616	39%
Building Overhead	3,297	3,425	3,473	48	99%	6,161	56%
Total Expenses	55,997	46,608	61,778	15,170	75%	110,732	42%
Net Profit (Loss)	\$ 4,050,014	\$ 4,090,340	\$ 4,049,941	\$ 40,399	101%	\$ 4,108,357	100%

Utah State Bar

Admissions

January 31, 2017

	Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
Revenue							
4001 · Admissions - Student Exam Fees	42,300	28,200	43,070	(14,870)	65%	164,640	17%
4002 · Admissions - Attorney Exam Fees	41,695	34,400	37,152	(2,752)	93%	67,492	51%
4003 · Admissions - Retake Fees	36,100	36,250	27,769	8,481	131%	48,000	76%
4004 · Admissions - Laptop Fees	27,750	23,100	26,592	(3,492)	87%	70,000	33%
4005 · Admissions - Application Forms	-	-	-	-	-	-	-
4006 · Transfer App Fees	18,500	800	700	100	114%	1,000	80%
4008 · Attorney - Motion	27,750	40,200	42,386	(2,186)	95%	76,002	53%
4009 · House Counsel	11,050	11,900	10,057	1,843	118%	14,700	81%
4095 · Miscellaneous Income	1,115	1,081	655	426	165%	1,273	85%
4096 · Late Fees	16,150	11,600	12,949	(1,349)	90%	34,999	33%
Total Revenue	222,410	187,531	201,330	(13,799)	93%	478,106	47%
Expenses							
Program Services	75,115	86,166	78,554	(7,612)	110%	129,284	67%
Salaries & Benefits	167,265	170,639	172,979	2,340	99%	303,468	56%
General & Administrative	19,895	19,682	20,018	336	98%	37,893	52%
Building Overhead	5,622	5,841	5,924	83	99%	10,500	56%
Total Expenses	267,897	282,327	277,475	(4,852)	102%	481,145	59%
Net Profit (Loss)	\$ (45,487)	\$ (94,796)	\$ (76,145)	\$ (18,651)	124%	\$ (3,039)	3119%

Utah State Bar NLTP

January 31, 2017

	Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
Revenue							
4020 · NLTP Fees	52,200	49,350	55,602	(6,252)	89%	85,000	58%
4095 · Miscellaneous Income	-	-	-	-	-	-	-
4096 · Late Fees	-	-	-	-	-	-	-
4200 · Seminar Profit/Loss	-	(2,357)	-	(2,357)	-	-	-
Total Revenue	52,200	46,993	55,602	(8,609)	85%	85,000	55%
Expenses							
Program Services	3,723	4,233	3,758	(475)	113%	6,800	62%
Salaries & Benefits	36,720	39,980	39,148	(832)	102%	68,629	58%
General & Administrative	3,005	4,097	3,147	(950)	130%	5,198	79%
Building Overhead	3,440	3,573	3,626	53	99%	6,426	56%
Total Expenses	46,887	51,883	49,679	(2,204)	104%	87,053	60%
Net Profit (Loss)	\$ 5,313	\$ (4,890)	\$ 5,924	\$ (10,813)	-83%	\$ (2,053)	238%

Utah State Bar OPC

January 31, 2017

	Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
Revenue							
4095 · Miscellaneous Income	1,224	1,480	769	711	192%	2,000	74%
4200 · Seminar Profit/Loss	-	5,696	-	5,696	-	10,000	57%
Total Revenue	1,224	7,176	769	6,407	933%	12,000	60%
Expenses							
Program Services	14,124	20,907	12,397	(8,510)	169%	23,196	90%
Salaries & Benefits	623,850	648,668	658,943	10,275	98%	1,134,901	57%
General & Administrative	51,406	57,072	53,324	(3,748)	107%	85,852	66%
Building Overhead	49,416	51,334	52,037	703	99%	92,289	56%
Total Expenses	738,796	777,980	776,701	(1,279)	100%	1,336,238	58%
Net Profit (Loss)	\$ (737,572)	\$ (770,805)	\$ (775,932)	\$ 5,127	99%	\$ (1,324,238)	58%

Utah State Bar

CLE

January 31, 2017

	Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
Revenue							
4051 · Meeting - Registration	-	-	-	-	-	-	-
4052 · Meeting - Sponsor Revenue	5,250	15,750	1,703	14,047	925%	14,000	113%
4053 · Meeting - Vendor Revenue	-	-	-	-	-	-	-
4054 · Meeting - Material Sales	15	-	-	-	-	-	-
4055 · Meeting - Sp Ev Registration	-	-	-	-	-	-	-
4081 · CLE - Registrations	172,171	212,264	166,370	45,894	128%	450,000	47%
4082 · CLE - Video Library Sales	43,488	75,422	62,546	12,876	121%	100,000	75%
4083 · CLE - Material Sales	-	-	-	-	-	-	-
4084 · Business Law Book Sales	-	10,026	-	10,026	-	12,000	84%
4095 · Miscellaneous Income	-	9,050	-	9,050	-	-	-
4200 · Seminar Profit/Loss	(1,192)	1,813	(581)	2,394	-312%	(10,000)	-18%
Total Revenue	219,732	324,324	230,038	94,286	141%	566,000	57%
Expenses							
Program Services	103,717	75,379	95,239	19,860	79%	290,811	26%
Salaries & Benefits	69,490	69,962	73,574	3,612	95%	127,014	55%
General & Administrative	26,260	30,497	33,136	2,639	92%	71,336	43%
Building Overhead	13,164	13,831	13,256	(575)	104%	24,121	57%
Total Expenses	212,631	189,669	215,205	25,536	88%	513,282	37%
Net Profit (Loss)	\$ 7,102	\$ 134,655	\$ 14,833	\$ 119,822	908%	\$ 52,718	255%

Utah State Bar Summer Convention January 31, 2017

		Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
Revenue								
4051 · Meeting - Registration	161,463	156,612	156,000	612	100%		156,000	100%
4052 · Meeting - Sponsor Revenue	18,650	20,000	18,000	2,000	111%		18,000	111%
4053 · Meeting - Vendor Revenue	11,500	10,600	11,000	(400)	96%		11,000	96%
4054 · Meeting - Material Sales	-	-	-	-	-		-	-
4055 · Meeting - Sp Ev Registration	2,926	1,800	3,000	(1,200)	60%		3,000	60%
4095 · Miscellaneous Income	-	-	-	-	-		-	-
Total Revenue	194,539	189,012	188,000	1,012	101%		188,000	101%
Expenses								
Program Services	174,238	168,158	163,035	(5,123)	103%		164,200	102%
Salaries & Benefits	22,506	14,806	20,640	5,834	72%		32,398	46%
General & Administrative	11,702	14,105	13,262	(843)	106%		13,599	104%
Building Overhead	1,376	1,429	1,450	21	99%		2,569	56%
Total Expenses	209,822	198,499	198,387	(112)	100%		212,766	93%
Net Profit (Loss)	\$ (15,284)	\$ (9,487)	\$ (10,387)	\$ 900	91%		\$ (24,766)	38%

Utah State Bar Fall Forum

January 31, 2017

Revenue

4051 · Meeting - Registration
4052 · Meeting - Sponsor Revenue
4053 · Meeting - Vendor Revenue
4054 · Meeting - Material Sales
4055 · Meeting - Sp Ev Registration
4095 · Miscellaneous Income

Total Revenue

Expenses

Program Services
Salaries & Benefits
General & Administrative
Building Overhead

Total Expenses

Net Profit (Loss)

Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
93,501	106,861	89,700	17,161	119%	89,700	119%
15,000	10,000	20,000	(10,000)	50%	20,000	50%
9,600	12,025	14,450	(2,425)	83%	14,450	83%
-	-	-	-	-	-	-
150	375	-	375	-	-	-
-	-	-	-	-	-	-
118,251	129,261	124,150	5,111	104%	124,150	104%
114,042	131,943	112,500	(19,443)	117%	112,500	117%
10,448	11,339	11,979	640	95%	13,106	87%
15,358	12,389	22,286	9,897	56%	22,286	56%
1,376	1,429	1,451	22	99%	2,570	56%
141,224	157,101	148,216	(8,885)	106%	150,462	104%
\$ (22,973)	\$ (27,840)	\$ (24,066)	\$ (3,774)	116%	\$ (26,312)	106%

Utah State Bar Spring Convention January 31, 2017

Revenue
 4051 · Meeting - Registration
 4052 · Meeting - Sponsor Revenue
 4053 · Meeting - Vendor Revenue
 4054 · Meeting - Material Sales
 4055 · Meeting - Sp Ev Registration
 4095 · Miscellaneous Income
 Total Revenue

Expenses
 Program Services
 Salaries & Benefits
 General & Administrative
 Building Overhead
 Total Expenses

Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
20,125	24,564	17,620	6,944	-	102,000	24%
9,100	13,900	8,579	5,321	162%	14,000	99%
5,950	5,700	5,694	6	100%	10,000	57%
-	-	-	-	-	-	-
456	-	313	(313)	-	2,000	0%
-	-	-	-	-	-	-
35,631	44,164	32,206	11,958	137%	128,000	35%
9,133	4,115	9,373	5,258	44%	91,021	5%
4,375	5,544	4,686	(858)	118%	16,556	33%
4,149	5,348	4,222	(1,126)	127%	8,770	61%
1,376	1,429	1,451	22	99%	2,570	56%
19,033	16,437	19,732	3,295	83%	118,917	14%
\$ 16,598	\$ 27,727	\$ 12,474	\$ 15,253	222%	\$ 9,083	305%

Net Profit (Loss)

Utah State Bar
Member Services
(Bar Journal, Member Benefits, Section Support, Legislative, Public Education & YLD)
January 31, 2017

Revenue		Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
4010 · Section/Local Bar Support fees		-	80,437	84,000	(3,563)	96%	85,000	95%
4052 · Meeting - Sponsor Revenue		-	1,000	-	1,000	-	1,000	100%
4061 · Advertising Revenue		102,810	90,416	105,243	(14,827)	86%	145,000	62%
4062 · Subscriptions		150	60	150	(90)	40%	150	40%
4071 · Mem Benefits - Lexis		2,715	833	3,438	(2,605)	24%	3,438	24%
4072 · Royalty Inc - Bar J, MBNA, LM,M		3,366	4,064	3,402	662	119%	6,439	63%
4081 · CLE - Registrations		-	-	-	-	-	-	-
4093 · Law Day Revenue		-	-	-	-	-	-	-
4095 · Miscellaneous Income		-	-	-	-	-	-	-
4200 · Seminar Profit/Loss		-	-	-	-	-	-	-
Total Revenue		109,041	176,810	196,233	(19,423)	90%	241,027	73%
Expenses								
Program Services		131,418	144,411	154,835	10,424	93%	284,502	51%
Salaries & Benefits		105,294	109,381	109,095	(286)	100%	193,837	56%
General & Administrative		85,086	73,243	101,809	28,566	72%	191,988	38%
Building Overhead		12,025	12,648	12,097	(551)	105%	22,080	57%
Total Expenses		333,823	339,683	377,836	38,153	90%	692,407	49%
Net Profit (Loss)		\$ (224,782)	\$ (162,873)	\$ (181,603)	\$ 18,730	90%	\$ (451,380)	36%

Utah State Bar
Public Services
(Committees, Consumer Assistance, Access to Justice, Tuesday Night Bar)
January 31, 2017

Revenue		Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
4010 · Section/Local Bar Support fees		-	-	-	-	-	-	-
4063 · Modest Means revenue		10,000	6,725	10,033	(3,308)	67%	16,000	42%
4093 · Law Day Revenue		-	-	-	-	-	5,737	0%
4095 · Miscellaneous Income		10	10	2	8	500%	10	100%
4200 · Seminar Profit/Loss		-	-	-	-	-	-	-
Total Revenue		10,010	6,735	10,035	(3,300)	67%	21,747	31%
Expenses								
Program Services		99,297	103,872	108,315	4,443	96%	143,189	73%
Salaries & Benefits		149,538	149,835	158,461	8,626	95%	270,119	55%
General & Administrative		23,254	22,324	14,508	(7,816)	154%	30,127	74%
Building Overhead		10,984	11,410	11,570	160	99%	20,513	56%
Total Expenses		283,072	287,441	292,854	5,413	98%	463,948	62%
Net Profit (Loss)		\$ (273,062)	\$ (280,706)	\$ (282,819)	\$ 2,113	99%	\$ (442,201)	63%

Utah State Bar
Bar Operations
(Bar Management, General Counsel, IT, Commission/Special Projects)
January 31, 2017

Revenue		Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
4031 · Enhanced Web Revenue		-	-	-	-	-	-	-
4052 · Meeting - Sponsor Revenue		-	-	1,326	(1,326)	0%	2,652	0%
4060 · E-Filing Revenue		10,973	12,952	10,649	2,303	122%	20,000	65%
4103 · In - Kind Revenue - UDR		426	709	387	322	183%	825	86%
4095 · Miscellaneous Income		553	631	273	358	231%	898	70%
Investment Income		28,693	40,183	24,462	15,721	164%	39,160	73%
Total Revenue		40,646	54,475	37,097	17,378	147%	63,535	64%
Expenses								
Program Services		109,056	176,164	133,957	(42,207)	132%	218,451	81%
Salaries & Benefits		554,473	597,307	622,807	25,500	96%	1,089,568	55%
General & Administrative		147,510	119,405	140,011	20,606	85%	208,338	57%
In Kind		426	1,807	183	(1,624)	988%	2,001	90%
Building Overhead		27,733	28,809	29,198	389	99%	51,793	56%
Total Expenses		839,199	923,492	926,156	2,664	100%	1,570,151	59%
Net Profit (Loss)		\$ (798,553)	\$ (869,017)	\$ (889,059)	\$ 20,042	98%	\$ (1,506,616)	58%

Utah State Bar Facilities

January 31, 2017

Revenue		Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
4039 · Room Rental-All parties		67,599	61,758	72,391	(10,633)	85%	131,599	47%
4042 · Food & Beverage Rev-All Parties		66,671	55,979	78,349	(22,370)	71%	150,906	37%
4043 · Setup & A/V charges-All parties		1,127	1,542	1,496	46	103%	4,230	36%
4090 · Tenant Rent		10,836	12,642	11,820	822	107%	21,670	58%
4095 · Miscellaneous Income		13	77	9	68	853%	37	208%
Total Revenue		146,245	131,998	164,065	(32,067)	80%	308,442	43%
Expenses								
Program Services		62,871	52,036	74,364	22,328	70%	149,428	35%
Salaries & Benefits		76,867	86,625	77,814	(8,811)	111%	138,976	62%
General & Administrative		3,300	309	619	310	50%	6,494	5%
In Kind		14,664	11,529	15,557	4,028	74%	26,532	43%
Building Overhead		128,372	133,563	134,432	869	99%	239,251	56%
Total Expenses		286,073	284,062	302,786	18,724	94%	560,681	51%
Net Profit (Loss)		\$ (139,828)	\$ (152,064)	\$ (138,721)	\$ (13,343)	110%	\$ (252,239)	60%

Utah State Bar
Income Statement - Consolidated By Account
January 31, 2017

	Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
Revenue							
4001 · Admissions - Student Exam Fees	42,300	28,200	43,070	(14,870)	65%	164,640	17%
4002 · Admissions - Attorney Exam Fees	41,695	34,400	37,152	(2,752)	93%	67,492	51%
4003 · Admissions - Retake Fees	36,100	36,250	27,769	8,481	131%	48,000	76%
4004 · Admissions - Laptop Fees	27,750	23,100	26,592	(3,492)	87%	70,000	33%
4005 · Admissions - Application Forms	-	-	-	-	-	-	-
4006 · Transfer App Fees	18,500	800	700	100	114%	1,000	80%
4008 · Attorney - Motion	27,750	40,200	42,386	(2,186)	95%	76,002	53%
4009 · House Counsel	11,050	11,900	10,057	1,843	118%	14,700	81%
4010 · Section/Local Bar Support fees	19,878	97,017	103,195	(6,178)	94%	105,367	92%
4020 · NLTP Fees	52,200	49,350	55,602	(6,252)	89%	85,000	58%
4021 · Lic Fees > 3 Years	3,372,745	3,438,350	3,424,333	14,017	100%	3,456,892	99%
4022 · Lic Fees < 3 Years	259,030	230,040	242,364	(12,324)	95%	265,924	87%
4023 · Lic Fees - House Counsel	21,110	26,335	20,005	6,330	132%	22,715	116%
4025 · Pro Hac Vice Fees	46,250	33,250	44,051	(10,801)	75%	71,910	46%
4026 · Lic Fees - Inactive/FS	106,400	111,200	106,908	4,292	104%	107,661	103%
4027 · Lic Fees - Inactive/NS	196,330	206,255	197,395	8,860	104%	200,578	103%
4029 · Prior Year Lic Fees	430	3,646	774	2,872	471%	2,096	174%
4030 · Certs of Good Standing	13,170	14,750	13,371	1,379	110%	23,950	62%
4031 · Enhanced Web Revenue	-	-	-	-	-	-	-
4039 · Room Rental-All parties	67,599	61,758	72,391	(10,633)	85%	131,599	47%
4042 · Food & Beverage Rev-All Parties	66,671	55,979	78,349	(22,370)	71%	150,906	37%
4043 · Setup & A/V charges-All parties	1,127	1,542	1,496	46	103%	4,230	36%
4051 · Meeting - Registration	275,089	288,037	263,320	24,717	109%	347,700	83%
4052 · Meeting - Sponsor Revenue	48,000	60,650	49,608	11,042	122%	69,652	87%
4053 · Meeting - Vendor Revenue	27,050	28,325	31,144	(2,819)	91%	35,450	80%
4054 · Meeting - Material Sales	15	-	-	-	-	-	-
4055 · Meeting - Sp Ev Registration	3,532	2,175	3,313	(1,138)	66%	5,000	44%
4060 · E-Filing Revenue	10,973	12,952	10,649	2,303	122%	20,000	65%
4061 · Advertising Revenue	102,810	90,416	105,243	(14,827)	86%	145,000	62%
4062 · Subscriptions	150	60	150	(90)	40%	150	40%
4063 · Modest Means revenue	10,000	6,725	10,033	(3,308)	67%	16,000	42%
4071 · Mem Benefits - Lexis	2,715	833	3,438	(2,605)	24%	3,438	24%
4072 · Royalty Inc - Bar J, MBNA, LM,M	3,366	4,064	3,402	662	119%	6,439	63%
4081 · CLE - Registrations	172,171	212,264	166,370	45,894	128%	450,000	47%
4082 · CLE - Video Library Sales	43,488	75,422	62,546	12,876	121%	100,000	75%
4083 · CLE - Material Sales	-	-	-	-	-	-	-
4084 · Business Law Book Sales	-	10,026	-	10,026	-	12,000	84%
4090 · Tenant Rent	10,836	12,642	11,820	822	107%	21,670	58%
4093 · Law Day Revenue	-	-	-	-	-	5,737	0%
4095 · Miscellaneous Income	3,963	13,470	2,936	10,534	459%	6,214	217%
4096 · Late Fees	85,770	67,000	55,044	11,956	122%	79,999	84%
4103 · In - Kind Revenue - UDR	426	709	387	322	183%	825	86%
4200 · Seminar Profit/Loss	(1,192)	5,151	(581)	5,732	-887%	-	-
Investment income	28,693	40,183	24,462	15,721	164%	39,160	103%
Total Revenue	5,255,940	5,435,426	5,351,244	84,182	102%	6,435,096	84%
Program Service Expenses							
5001 · Meeting Facility-external only	42,045	28,989	30,124	1,135	96%	56,419	51%
5002 · Meeting facility-internal only	36,844	35,688	34,734	(954)	103%	67,568	53%
5013 · ExamSoft	14,205	16,148	14,144	(2,004)	114%	22,000	73%
5014 · Questions	32,677	33,725	33,926	201	99%	52,000	65%
5015 · Investigations	-	150	119	(31)	126%	1,704	9%
5016 · Credit Checks	966	949	927	(22)	102%	2,500	38%
5017 · Medical Exam	183	2,560	800	(1,760)	320%	800	320%
5025 · Temp Labor/Proctors	3,400	3,300	3,344	44	99%	6,000	55%
5030 · Speaker Fees & Expenses	26,698	51,148	68,820	17,672	74%	93,962	54%
5031 · Speaker Reimb. - Receipt Req'd	2,649	1,798	443	(1,355)	406%	9,168	20%

Utah State Bar
Income Statement - Consolidated By Account
January 31, 2017

	Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
5035 · Awards	1,232	1,958	1,143	(815)	171%	3,128	63%
5037 · Grants/ contributions - general	13,991	2,750	14,326	11,576	19%	20,964	13%
5040 · Witness & Hearing Expense	2,312	9,303	498	(8,805)	1868%	1,749	532%
5041 · Process Serving	2,189	559	1,103	544	51%	1,200	47%
5042 · Operations Audit	-	28,500	30,000	1,500	95%	30,000	95%
5045 · Bar Anniversary	-	6	-	(6)	-	-	-
5046 · Court Reporting	325	-	400	400	0%	400	0%
5047 · Casemaker	46,456	39,242	41,018	1,776	96%	71,000	55%
5055 · Legislative Expense	-	26,184	24,500	(1,684)	107%	42,000	62%
5060 · Program Special Activities	4,322	75	5,966	5,891	1%	9,448	1%
5061 · LRE - Bar Support	65,000	65,000	65,000	-	100%	65,000	100%
5062 · Law Day	(1,110)	1,000	-	(1,000)	-	12,353	8%
5063 · Special Event Expense	5,664	14,479	9,850	(4,629)	147%	14,000	103%
5064 · MCLE Fees Paid	16,897	18,307	14,537	(3,770)	126%	32,900	56%
5070 · Equipment Rental	25,113	45,714	25,906	(19,808)	176%	43,424	105%
5075 · Food & Bev-external costs only	284,550	252,109	229,063	(23,046)	110%	432,542	58%
5076 · Food & beverage - internal only	35,285	35,059	34,679	(380)	101%	67,993	52%
5079 · Soft Drinks	6,490	4,904	6,762	1,858	73%	13,473	36%
5085 · Misc. Program Expense	3,515	5,549	4,051	(1,498)	137%	10,211	54%
5090 · Commission Expense	16,640	14,744	15,654	910	94%	25,000	59%
5095 · Wills for Heroes	-	-	1,400	1,400	0%	2,500	0%
5096 · UDR Support	-	10,000	10,000	-	100%	10,000	100%
5099 · Blomquist Hale	43,159	43,140	43,760	620	99%	75,000	58%
5702 · Travel - Lodging	15,464	26,892	20,658	(6,234)	130%	39,534	68%
5703 · Travel - Transportation/Parking	4,929	14,444	11,236	(3,208)	129%	19,153	75%
5704 · Travel - Mileage Reimbursement	8,824	4,123	6,436	2,313	64%	12,330	33%
5705 · Travel - Per Diems	3,939	2,135	4,775	2,641	45%	7,134	30%
5706 · Travel - Meals	-	493	285	(208)	173%	550	90%
5707 · Travel - Commission Mtgs	24,748	32,319	28,000	(4,319)	115%	36,736	88%
5805 · ABA Annual Meeting	6,639	3,928	4,686	758	84%	12,599	31%
5810 · ABA Mid Year Meeting	3,687	3,427	2,227	(1,200)	154%	14,051	24%
5815 · Commission/Education	-	16,090	6,550	(9,540)	246%	9,900	163%
5820 · ABA Annual Delegate	4,046	6,769	5,214	(1,555)	130%	11,004	62%
5830 · Western States Bar Conference	-	9,777	-	(9,777)	-	10,000	98%
5840 · President's Expense	14,432	10,746	10,500	(246)	102%	18,000	60%
5841 · President's Reimbursement	4,120	190	2,329	2,139	8%	5,000	4%
5850 · Leadership Academy	3,815	6,726	14,000	7,274	48%	20,000	34%
5855 · Bar Review	692	330	4,000	3,670	8%	8,000	4%
5865 · Retreat	29,840	21,388	15,000	(6,388)	143%	15,000	143%
5960 · Overhead Allocation - Seminars	-	-	5,235	5,235	0%	1,261	0%
5970 · Event Revenue Sharing - 3rd Pty	39,860	14,572	38,199	23,627	38%	76,724	19%
Total Program Service Expenses	896,733	967,383	946,327	(21,056)	102%	1,613,382	60%
Salaries & Benefit Expenses							
5510 · Salaries/Wages	1,456,413	1,488,065	1,534,872	46,807	97%	2,662,648	56%
5605 · Payroll Taxes	104,559	107,880	111,486	3,606	97%	196,265	55%
5610 · Health Insurance	127,386	141,937	139,530	(2,407)	102%	250,653	57%
5630 · Dental Insurance	7,924	9,205	8,694	(511)	106%	15,958	58%
5640 · Life & LTD Insurance	10,333	9,908	12,663	2,755	78%	18,013	55%
5645 · Workman's Comp Insurance	2,319	1,910	2,166	256	88%	3,292	58%
5650 · Retirement Plan Contributions	128,138	140,330	155,440	15,109	90%	265,165	53%
5655 · Retirement Plan Fees & Costs	11,318	10,989	12,274	1,285	90%	24,832	44%
5660 · Training/Development	7,377	20,594	11,253	(9,341)	183%	13,701	150%
66000 · Payroll Expenses	0	0	-	(0)	-	-	-
Total Salaries & Benefit Expenses	1,855,765	1,930,818	1,988,378	57,560	97%	3,450,527	54%
General & Administrative Expenses							
7025 · Office Supplies	14,600	12,300	15,584	3,284	79%	26,706	46%

Utah State Bar
Income Statement - Consolidated By Account
January 31, 2017

	Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
7033 · Operating Meeting Supplies	12,301	12,244	12,171	(73)	101%	22,001	56%
7035 · Postage/Mailing, net	42,203	29,588	40,303	10,715	73%	69,842	42%
7040 · Copy/Printing Expense	113,756	106,671	108,626	1,955	98%	177,481	60%
7040 · Copy/Printing Expense - Other	-	-	-	-	-	-	-
7041 · Copy/Print revenue	(15,860)	(14,348)	(16,100)	(1,752)	89%	(28,046)	51%
4094 · Copy/Print revenue	-	-	-	-	-	-	-
7045 · Internet Service	3,093	5,263	11,735	6,472	45%	16,055	33%
7050 · Computer Maintenance	9,752	16,723	17,517	794	95%	35,637	47%
7055 · Computer Supplies & Small Equip	10,438	4,051	18,477	14,426	22%	23,310	17%
7089 · Membership Database Fees	32,849	25,196	31,200	6,004	81%	41,965	60%
7095 · Fax Equip & Supplies	970	-	-	-	-	-	-
7100 · Telephone	14,120	29,526	12,700	(16,826)	232%	35,950	82%
7105 · Advertising	1,038	651	16,400	15,750	4%	58,550	1%
7106 · Public Notification	870	364	637	273	57%	1,500	24%
7110 · Publications/Subscriptions	8,676	11,702	8,653	(3,049)	135%	13,596	86%
7115 · Public Relations	802	2,368	6,375	4,007	37%	12,689	19%
7120 · Membership/Dues	9,735	8,942	9,392	450	95%	11,623	77%
7135 · Bank Service Charges	1,149	922	1,083	161	85%	2,200	42%
7136 · ILM Service Charges	8,578	9,426	8,455	(971)	111%	13,498	70%
7138 · Bad debt expense	-	-	-	-	-	500	0%
7140 · Credit Card Merchant Fees	45,588	20,575	40,925	20,350	50%	91,040	23%
7140 · Credit Card Merchant Fees - Other	-	19,691	-	(19,691)	-	-	-
7141 · Credit Card surcharge	(24,075)	(17,972)	(21,334)	(3,362)	84%	(50,788)	35%
7145 · Commission Election Expense	-	-	-	-	-	1,626	0%
7150 · E&O/Off & Dir Insurance	23,239	28,698	27,807	(891)	103%	46,232	62%
7160 · Audit Expense	30,504	29,539	30,400	861	97%	30,400	97%
7170 · Lobbying Rebates	-	7	-	(7)	-	1,000	1%
7175 · O/S Consultants	45,028	7,873	24,282	16,409	32%	28,796	27%
7176 · Bar Litigation	8,684	6,850	6,782	(68)	101%	14,999	46%
7177 · UPL	3	6,963	3	(6,960)	232085%	5,002	139%
7178 · Offsite Storage/Backup	2,102	2,299	1,995	(304)	115%	3,501	66%
7179 · Payroll Adm Fees	1,639	1,640	1,750	110	94%	3,001	55%
7180 · Administrative Fee Expense	760	(272)	894	1,166	-30%	1,700	-16%
7190 · Lease Interest Expense	-	-	-	-	-	1,698	0%
7191 · Lease Sales Tax Expense	141	253	68	(185)	372%	283	89%
7195 · Other Gen & Adm Expense	6,003	7,189	9,615	2,426	75%	10,950	66%
Total General & Administrative Expenses	408,685	374,921	426,395	51,474	88%	724,497	56%
In Kind Expenses							
7103 · InKind Contrib-UDR & all other	15,090	13,336	15,740	2,404	85%	28,533	47%
Total In Kind Expenses	15,090	13,336	15,740	2,404	85%	28,533	53%
Building Overhead Expenses							
6015 · Janitorial Expense	17,087	17,482	18,243	761	96%	31,603	55%
6020 · Heat	9,062	8,871	9,998	1,127	89%	19,205	46%
6025 · Electricity	29,404	29,093	31,052	1,959	94%	50,297	58%
6030 · Water/Sewer	2,801	3,392	3,147	(245)	108%	4,854	70%
6035 · Outside Maintenance	3,005	4,475	2,809	(1,666)	159%	11,887	38%
6040 · Building Repairs	9,887	18,784	9,425	(9,359)	199%	13,659	138%
6045 · Bldg Mtnce Contracts	22,737	20,631	24,753	4,122	83%	44,281	47%
6050 · Bldg Mtnce Supplies	1,327	1,882	1,164	(718)	162%	1,987	95%
6055 · Real Property Taxes	20,526	21,814	19,712	(2,102)	111%	37,064	59%
6060 · Personal Property Taxes	420	467	441	(26)	106%	753	62%
6065 · Bldg Insurance/Fees	14,456	9,374	13,433	4,059	70%	23,038	41%
6070 · Building & Improvements Depre	30,688	30,580	33,631	3,051	91%	57,656	53%
6075 · Furniture & Fixtures Depre	8,984	8,925	9,792	867	91%	16,793	53%
7065 · Computers, Equip & Sftwre Depre	87,798	92,953	92,365	(588)	101%	167,766	55%
Total Building Overhead Expenses	258,180	268,723	269,965	1,242	100%	480,843	54%

Utah State Bar
Income Statement - Consolidated By Account
January 31, 2017

	Actual LYTD	Actual YTD	Budget YTD	Fav (Unfav) variance	% of Budget	Total Budget	YTD % of Tot Budget
Total Expenses	3,434,454	3,555,181	3,646,805	91,624	97%	6,297,782	55%
Net Profit (Loss)	\$ 1,821,486	\$ 1,880,244	\$ 1,704,439	\$ 175,805	-15%	\$ 137,314	

Utah State Bar Balance Sheets

	1/31/2017	6/30/2016
ASSETS		
Current Assets		
Petty Cash	\$ 625	\$ 625
Cash in Bank	115,561	493,263
Invested Funds	5,484,504	5,455,595
Total Cash/Investments	5,600,690	5,949,482
Accounts receivable		
Accounts Receivable	30,648	35,761
Prepaid Expenses	70,061	222,763
A/R - Sections	9,628	7,874
Total Other Current Assets	110,337	266,398
Total Current Assets	5,711,027	6,215,880
Fixed Assets		
Property & Equipment	4,626,523	4,601,972
Accumulated Depreciation	(3,641,952)	(3,509,494)
Land	633,142	633,142
Total Fixed Assets	1,617,713	1,725,619
TOTAL ASSETS	\$ 7,328,739	\$ 7,941,499
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
AP Trade	\$ 16,327	\$ 98,414
Other Accounts Payable	13,855	114,112
Accrued Payables	386,556	403,622
Cap Lease Oblig - ST	845	2,905
A/P - Sections	1,405	148,080
Deferred Revenue	-	2,144,858
Total Current Liabilities	418,988	2,911,991
Long Term Liabilities		
Capital Lease Oblig	-	-
Total Long Term Liabilities	-	-
Total Liabilities	418,988	2,911,991
Equity		
Unrestricted Net Assets (R/E)	5,029,507	5,029,507
Fund Balance - Current Year	1,880,244	-
Total Equity	6,909,752	5,029,507
TOTAL LIABILITIES & EQUITY	\$ 7,328,739	\$ 7,941,499

UTAH STATE BAR
Membership Statistics
January 31, 2017

<u>STATUS</u>	<u>01/31/16</u>	<u>01/31/17</u>	<u>Change</u>
Active	7,902	8,091	189
Active under 3 years	1,091	1,037	(54)
Active Emeritus	138	153	15
In House Counsel	49	63	14
Subtotal - Active	9,180	9,344	164
Inactive - Full Service	718	756	38
Inactive - No Service	1,800	1,865	65
Inactive Emeritus	122	149	27
Subtotal - Inactive	2,640	2,770	130
Total Active and Inactive	11,820	12,114	294
 <u>Supplemental Information</u>			
Paralegals	126	132	6
Associate Section Members	110	115	5
Journal Subscribers	125	125	-
 <u>Active Attorneys by Region</u>			
Logan - Brigham	139	135	(4)
Davis - Weber	644	614	(30)
Salt Lake	4,416	4,321	(95)
Provo	709	690	(19)
Southern Utah	321	317	(4)
Out of State	697	674	(23)
Out of Country	5	5	-
No region designated	2,249	2,588	339
Total Active Attorneys	9,180	9,344	164