OSB Professional Liability Fund

OPEN SESSION MINUTES
SPECIAL MEETING
OREGON STATE BAR
PROFESSIONAL LIABILITY FUND
BOARD OF DIRECTORS

August 26, 2020
Zoom Videoconference

The Special Meeting of the Board of Directors via Zoom was called to order at approximately 1:00 p.m. by Chair, Molly Jo Mullen. Present in addition to Ms. Mullen were Directors Tom Newhouse, Holly Mitchell, Megan Livermore, Gina Johnnie, Michael Batlan, Oren Haker, Steve Hill, and Carol Bernick. BOG members Eddie Medina, David Wade, and John Grant, as well as OSB CEO Helen Hierschbiel and OSB CFO Mike Williams attended open session. In addition, PLF staff members Nena Cook, Madeleine Campbell, Betty Lou Morrow, Matt Borrillo, Jeff Crawford, Cindy Hill, and Emilee Preble attended all or part of the meeting.

These meetings were noticed and conducted in compliance with the Oregon Public Meetings Law, ORS 192.610, et seq. and a quorum was verified.

1. BARBOOKS PAYMENT (Ms. Mullen)

Ms. Mullen reported that the purpose of the Special BOD Meeting is to discuss the proposal to reallocate the BarBooks funds that the PLF has contributed to for many years.

Ms. Mullen opened the meeting for discussion and turned the meeting over to Mr. Crawford. Mr. Crawford presented the PLF senior leadership position on the proposal to the PLF Board of Directors.

Mr. Crawford reported that the materials cover the issue well, but he wanted help frame what the question is. The current basis for the $200,000 annual grant from the PLF to the Oregon State Bar for BarBooks is governed by a Memorandum of Understanding (MOU) that the PLF and Bar signed in 2016. The final paragraph of that agreement says the PLF may stop making payments to this grant with reasonable notice to the Oregon State Bar. Mr. Crawford read the language as follows:

> *6. The PLF may stop making payments under this agreement with reasonable notice to the OSB if the PLF in good faith believes that BarBooks is no longer providing the*

loss prevention value as intended or if other circumstances exist that in the PLF's good faith judgment warrant ending the funding set forth in this Memorandum of Understanding.

Mr. Crawford reported that in the PLF's view, circumstances have changed dramatically since the time this agreement was signed; mainly, in the middle of a pandemic, especially affecting Oregon lawyers. There is an increase in demands for risk management services (both at the OAAP and with the PMAs). Mr. Crawford and Ms. Cook met to discuss ideas on how to meet the current demands. Due to COVID-19, the face-to-face meetings and live presentations that were presented in the past have now pivoted to virtual meetings in order to meet the new demands. That has entailed reaching out to lawyers in ways we had not contemplated before. Mr. Crawford referred the Board to the memo in the materials regarding what types of services we are contemplating if we have the funds available.

Mr. Crawford noted that the issue is not whether BarBooks has any loss prevention value or not, but these new circumstances have created a new need/increased demand that require additional resources in order to meet. This has come at a time when the PLF's financials are not as steady as in the past. See memo regarding PLF financial information. There is a projected $4 million loss for our net position goal. We could devote the $200,000 to that, but we need to devote funds during this crisis to meet the needs of Oregon lawyers.

Ms. Mullen asked Ms. Morrow to give a recap of where the PLF is financially and what 2020 is looking like and to remind the BOD of a brief recap of our net position goal.

Ms. Morrow reported that with regard to the Net Position Goal, the two biggest increases are (1) the increase in the dollars required to keep the PLF at an 80% confidence level and (2) a reserve to cover the cost of updating the current legacy data base system to a modern platform.

Ms. Morrow reported that the PLF is experiencing a reduction in the number of Covered Parties. Currently, there are approximately 7,000 Covered Parties, compared to 7,300 last year. The actuaries project that the cost per attorney to cover claim costs will increase in 2021 from $2400 to $2540.

Claim severity was up in the first six months of 2020 (currently over $16,000).

The PLF reduced the assessment in 2019 from $3,500 to $3,300 in order to spend down a large surplus. Effectively, that resulted in a shedding of revenue while increasing expenses.

At the start of 2020, the PLF had 51.33 full-time employees. We expect 47.33 in 2021. The PLF is continually vigilant about ways to decrease expenses while maintaining efficiencies and effectiveness of operations.

Ms. Morrow noted that there is uncertainty on multiple fronts – internally and externally. It is anticipated there will be a deficit budget. She stated it is her opinion there is not room in the 2021 budget to both increase OAAP services to attorneys across Oregon while maintaining the BarBooks payment.

Ms. Cook agrees with both Ms. Morrow's and Mr. Crawford's positions. We expect the circumstances will continue to strain the resources of the PLF. For the past ten years, the BOD has supported BarBooks financially. Ms. Cook gave some historical background regarding the PLF's support of BarBooks then discussed the "out" clause in the Agreement. If ever there is a rationale to stop making payments on BarBooks, it is now. Ms. Cook noted that she and BOG member John Grant spoke on Friday and she is pleased Mr. Grant is attending this meeting. She proposes continuation of payment through 2020 then the MOU would terminate. The PLF takes this decision very seriously. What is happening with the pandemic is dire and we do not know where it is going. Ms. Cook feels that moving the funds to assist Oregon lawyers is the best use of these funds at this time. We are partners with the BOG and OSB. Ms. Cook's view is that if we stop making these payments, she and Ms. Hierschbiel will continue to work well together and the two organizations will as well.

Ms. Mullen referred the Board to Attachment 6 in the materials (the MOU signed by Mr. Newell in 2016).

Ms. Mullen asked Ms. Morrow to explain the difference in number of full-time employees between the 52 FTEs at the beginning of 2020 and the 2021 budgeted number of 47. Ms. Morrow explained that we have had a decline at all levels of the organization. The decline includes employees from all areas of the organization except fiscal and IT.

Ms. Cook reported that since March, she has informed PLF staff that furloughs, layoffs or job shares are real possibilities. To avoid layoffs, we have intentionally not filled open positions and it has been at great cost to current staff. Even though Ms. Campbell ascended to her position as General Counsel, she still maintains some aspects of the Director of Claims position. Mr. Borrillo continues to maintain some of his work as a claims attorney. Claims attorney Ms. Nation retired a few weeks ago. Mr. Crawford stepped into the Director of Risk Management Services position.

Ms. Mullen questioned if, whether or not in light of the mental health services we have provided, that has been an issue in many of the discussions with our reinsurers. Ms. Cook noted that Ms. Campbell was included in the reinsurance discussions. We meet with reinsurers every year. We met with London reinsurers in June and met last week with 11 American reinsurers and every one of them asked what we were seeing in terms of mental health with our lawyers and services in risk management. Some were satisfied; some implied we were not doing enough.

Ms. Cook reported that OAAP staff and Practice Management staff are going above and beyond to assist Oregon lawyers in all areas. Across the nation, other bars and insurance companies like ours put money toward mental health assistance. Mr. Crawford said this is happening across the country, including ABA programs. Lawyer mental health issues are unprecedented during this pandemic. Currently, there is a big increase in substance abuse. The burden of the work on attorney counselors has become extreme compared to expectations in the past.

Ms. Livermore commented on the possibility of attorney counselors and other staff members needing some mental health support as well, having to deal with this crisis and working tirelessly to do what they need to do. Mr. Crawford shares this concern because they also have to cope with all the added stress of working remotely,

children doing remote schooling, etc. It is an important consideration that we are openly discussing with them, making sure they do not forget about themselves.

Ms. Bernick thanked Mr. Crawford for the information that she requested from him prior to the meeting and had a couple of questions. The PLF has a more robust OAAP program by a factor of ten than any other NABRICO company. When we talk about the reinsurers asking about this, we are already starting from an incredibly robust place compared to our colleagues (with regard to the mental health services we provide). Ms. Bernick appreciates that people are in crisis. That is unquestionable. But, people are also practicing law and also need information about how to practice law. If we are going to spend a few hundred thousand dollars to provide direct services to "X" number of people, comparing that to BarBooks and the access to BarBooks (estimated 13,000 users per month access BarBooks), she feels that is an important component to this. The PLF refers to BarBooks as an OSB program, but she has not thought of it that way. It is no different to her than the PLF's Statutory Time Limitations Handbook (the Red Book). One is in the PLF house and the other in the OSB house. She appreciates it is a choice between two needed services. Ms. Bernick would like to save and/or provide services to every lawyer in crisis, but she feels there should be limits in terms of what the PLF should and can do. Regardless of how many attorney counselors we add, that could increase regularly in order to provide needed services. She agrees we should put money into technology and mental health assistance, but also into resources to avoid malpractice with the information available in BarBooks. It is a resource that many members value and it is accessed by both solo and large firm lawyers. Ms. Bernick does not want this to feel like, because she was the CEO at the time the MOU was signed in 2016, that she wants to throw herself in front of the bus on this. She is non a voting member. She trusts Ms. Cook and Mr. Crawford that they have looked at this thoroughly.

Ms. Hierschbiel had some questions/comments, as follows.

1. With regard to the budget and the discussion of the change in net position, her understanding was that the original net position goal was $13.3 million. Ms. Morrow stated the goal increased to $15 million in 2019.
2. In terms of the number of Covered Parties, down from 7,300 to 7,000, Ms. Hierschbiel questioned if those numbers are based on this year's numbers. Ms. Morrow stated that in 2019, we had approximately 7,300 covered parties, while at the time of this meeting there are 7,026 covered parties. Ms. Hierschbiel stated that the OSB is expecting an increase with the diploma process. Ms. Morrow stated she genuinely hopes Ms. Hierschbiel is right.
3. With regard to FTEs, what is the personnel budget? Ms. Morrow noted that for 2020, she expects approximately $5 million for salaries and $600,000 for benefits.
4. With regard to the increase for demand of OAAP services, Ms. Hierschbiel questioned how that is measured. In June, there was a discussion about not having very good data around who was accessing OAAP services, what the services are, numbers of people, etc. Ms. Hierschbiel questioned if we have put into place some ways of measuring that increase. Mr. Crawford said that it depends on what you are talking about and what measures we have now. Due to the pandemic, in-person and live presentations are not the way to count things anymore. Attorney Counselors and PMAs have begun documenting their work in a different way (emails, online contact, written materials online, more frequent video conferences.). We will not know for a couple of

months what the overall trend is with things like telephone calls, emails, etc. It has all increased from the past. Staff has a sense for it and have conveyed that to us. Regarding things like Zoom webinars, we can get measures that way. We sent those figures to the Board of Directors. Participation/attendance at webinars is up by a multiple of ten since the pandemic began. Those numbers remain strong. Qualitatively, the issues they are facing now are new and different and more severe. There are more core issues lawyers are struggling with when looking at the types of contact the OAAP/PMAs are dealing with.

Ms. Mullen asked if there is a way to know how PMAs are dealing with people regarding office closures, etc. Mr. Crawford said there is. They provide advice, educational materials, practice aids, etc. In the past, it was more diverse and wide spread in terms of topics. Now, we are seeing lawyers learning new technologies for practicing law. Office closings are occurring because lawyers cannot make the transition, so they close their offices. Many lawyers are leaving firms or practicing in new ways (whether large or small firm), some lawyers are leaving and moving to a different location and setting up their own practices. This creates more demand for assistance from our PMAs.

Ms. Johnnie said that when she was on the BOG, the referral fees were changed to help fill in the gap between 2010 and now. She understands those fees are lucrative and asked Ms. Hierschbiel if something happened to change that. Ms. Hierschbiel said she has heard differing thoughts on that. If that was the plan, she thinks it was lost somewhere. Lawyer Referral Services did operate for decades in the red and on the backs of lawyers through fees. Now, it is self-sustaining and there has been some excess generated from that program. The Board of Governors within the last few years made a decision to use some of that money to put back into that program in public information materials. It was a small group of lawyers paying the fee and the program itself is really focused on access to justice for the public. Because of those reasons, the funding should be used to continue to support access to justice programming but, also to help keep the program financially viable. Many of the public information videos are critical to maintaining high visibility searches on the website (self-sustaining that way). Ms. Hierschbiel does not think the amount (small net cash position right now of $17,000) is an issue because it does not even come close to covering the cost of BarBooks. Mr. Grant noted that the money being put back into Lawyer Referral Services was created by the Futures Task Force.

Mr. Wade pointed out that the PLF is only paying 25% of the cost of BarBooks, so it is a good deal with a service that receives 215,000 hits per month. Ms. Morrow stated she has never seen an accounting of BarBooks costs. Mr. Wade said that 215,000 hits is indicating tremendous usage of this resource. Mr. Wade feels it is the most important program the PLF/OSB has. Ms. Morrow commented that prior to coming to the PLF, most of her career has been in human services, including addiction services. She said, arguably a healthy, sober lawyer will have fewer claims than one who is not.

Ms. Cook responded to Mr. Wade's comment about "the most important program the PLF/OSB has" and said we really have no way to measure that. She thinks it is great that BarBooks gets 215,000 hits. We do not know for how long there will be that many hits. Mr. Crawford reported on feedback received from the PMAs with regard to the merits of BarBooks. The fact is that over half of the BarBooks have not been updated in five years and several have not been updated in ten years. Because so much of the information is outdated, the practice management attorneys do not direct people to them.

Mr. Wade commented that the reputation among practicing members of BarBooks is extremely high. There is not a practicing lawyer in Oregon who does not rely on BarBooks. There would not be the number of hits (215,000) if people did not believe in it or rely on it. With regard to all of the proposals to stop paying for BarBooks and start paying for other things, there is no evidence-driven comparison to support paying for other services instead of BarBooks. Mr. Wade understands the PLF wanting to cut its expenses. If that is the reason, then the PLF should say so.

Looking back at notes from the April PLF meeting, Ms. Mullen said that while it would be great to compare numbers, it is difficult because they are constantly changing. There are changes to bar admissions, new lawyers coming in, etc. She agrees there is value with BarBooks. The question is what is the best use of our funds and how do we go about doing that. During this unprecedented time, how do we provide the services Oregon lawyers need? She noted that if a lawyer hangs their shingle and needs PMA services that is a huge value. The goal is to determine how we use the assets we have to the benefit of Oregon lawyers.

Mr. Grant clarified two things. With regard to Ms. Morrow's question about the cost to maintain BarBooks, basically, the legal publications department of the OSB exists to manage BarBooks. During the OSB restructuring, that department was reduced by one person. The team is looking at other ways to manage costs bar-wise, but also in that department. With regard to Mr. Crawford's comments about whether the OSB is attempting to manage too many books, it is a catch-22. Many people want to submit their expertise to BarBooks, but possibly the OSB has not been as careful in the past in terms of the expense of doing these things. The spreadsheets from the OSB has winning and losing areas of BarBooks. Understanding that he and Ms. Cook had a great conversation last week, Mr. Grant feels the need to ask the question of whether it needs to be an all or nothing decision. In one of the communications, there was a question about the loss prevention value of BarBooks. We do not know and that is okay. There are a lot of moving parts. But, with regard to Ms. Bernick's point about needing services on how to practice law, Mr. Grant believes there is a loss prevention/risk prevention value in educating lawyers. If the investment in BarBooks is higher than similar loss prevention activities, assuming this is true, he asked if there is a number between zero and $200,000 that would make sense for the PLF contribution.

Ms. Livermore wants to understand how the $800,000 to $1 million per year is spent to sustain BarBooks. Ms. Hierschbiel said that $800,000 is about the cost of that program. Ms. Livermore questioned that if all of the books are not updated regularly, where does that money go (how is it spent if not updating books). Mr. Grant pointed out that it is not that all books are not being updated, but there are a lot of them. Volunteers do both updates and create new content. One of the things Bar staff does is manage the volunteers to keep them on track. The three attorney editors go over the volunteer content and edit it. In 2008, this question came up at the BOG level and staff provided a sampling of some of the materials and the editing that was provided. Review of cites need to be done to be sure they are correct and this is time consuming. The Bar takes a lot of pride in BarBooks. There is no point in publishing them if people cannot rely on them. Nationwide, there have been many awards for the quality of the BarBooks library. In terms of how many are edited each year, they can only do so many each year because of limited staff. Each year, there are editorial boards who choose which ones are most popular and which ones have had substantial changes in the law. Solo and small firm practitioners use

BarBooks as a first-look for quick research (if not familiar with a particular area of law). They look at BarBooks to get some basic information, then Shepardize cases and make sure they have the most up-to-date materials. Mr. Grant pointed out that the information is not necessarily where to start, but whether to start. BarBooks helps with a quick assessment of whether they are getting in over their heads or need assistance from a mentor.

Ms. Livermore said that she uses BarBooks all the time and is a big fan of BarBooks. She is thankful for this resource in Oregon. Ms. Livermore questioned that without the funds from the PLF, would BarBooks go away? Ms. Hierschbiel said that the answer, in part, depends on our Board. Many people think the OSB gets license fees from its members, so why would the budget be impacted at all because of COVID-19. The license fees only comprise about 2/3 of OSB revenue. The other comes from revenue-generating programs (LRS, seminars, Bar Center lease fees, etc.). Operationally, the OSB revenue in 2020 has taken a $500,000 shortfall because of COVID-19. As a result, Ms. Hierschbiel instituted furloughs for everyone (varied among employees), anywhere from a minimum of five days of furlough and some had 20 days. In addition, they had to lay off two individuals (one in legal publications). The reason she chose legal publications is because it is not revenue-generating. They are looking at a flat membership growth in 2021, as opposed to a reduction. They also increased costs. So, with the $200,000 hit and the question of getting rid of BarBooks, it is a huge popular program, especially for lawyers located in more remote parts of the state (operating on a thin margin), it reaches all lawyers throughout the state. Ms. Hierschbiel did not intend to discuss the OAAP, but she thinks it is a valuable program. We cannot compare that with BarBooks, but we know how popular BarBooks is. She feels we are talking about the difference between continuing something old vs. adding something new. We are talking about continuing a program that already exists. If there is a $200,000 cut to their revenue from the PLF grant, she expects the OSB will have to start charging for BarBooks (the way it was in 2010). Mr. Crawford noted that looking back at the 2011 budget, PLF payments were included as revenue in legal publications. Ms. Hierschbiel said that it is included in revenue (the PLF contribution), but she did not mean that. She meant the program is not revenue-generating.

Mr. Hill noted that he is from Pendleton and could not agree more that rural attorneys love BarBooks. He has been in Pendleton for 26 years and is a new PLF board member. He said it was a great surprise when the expense of BarBooks was covered all of a sudden. He feels that a small dues increase in the spirit of saving BarBooks (if the Bar needs it in order to keep it going) would be happily accepted from Oregon lawyers. He questioned what it would cost Oregon lawyers in terms of a dues increase sold in the spirit of saving BarBooks. Ms. Hierschbiel said that it adds up to $13+ per bar member annually. The Bar cycles fee increases, so in 2021, they are hoping to get a fee increase to cover overall costs. Mr. Hill still buys Bar books but, in rural Eastern Oregon, it is a windfall wonderful thing that they receive it online, free of charge. He does not think it would be a hard sell to increase dues to save the BarBooks program.

Ms. Mullen's understanding now is that the $200,000 roughly represents 25% of the BarBooks program. Has that changed over time, or has the PLF always contributed roughly 25% of the program. Ms. Hierschbiel said that because of increases in the cost, the percentage has probably dropped over time. She would have to look back to be sure. Ms. Mullen said she was a little confused about the cost of hard books vs. online books. Why would there be an increase in costs? Ms. Mullen would expect the costs to decrease. Ms. Hierschbiel said that

the biggest cost in developing BarBooks is developing the content. That has not changed. If the OSB removed printing costs from the budget, they would end up losing about $28,000 in revenue.

Ms. Hierschbiel addressed the issue of the percentage the PLF pays for BarBooks and reported that it started at 34% in 2012 and is now 24%. So, the percentage has gone down.

Mr. Grant thanked the PLF for inviting BOG members to attend the meeting.

Ms. Hierschbiel asked what the purpose of an executive session meeting is. Ms. Mullen said it is to discuss with General Counsel the legal questions we have about the MOU. Ms. Hierschbiel said that Oregon has very strict rules about announcing executive session and the appropriate language must be used.

2. EXECUTIVE SESSION

Executive Session materials require a password.

Ms. Mullen called the meeting into executive session at 2:34 p.m., pursuant to ORS 192.660(2)(f) and (h) to discuss legal questions with General Counsel regarding the MOU. See separate executive session minutes.

The meeting was called back into open session at approximately 3:05 p.m. to approve executive session issues.

3. OPEN SESSION

Ms. Mullen reported that the proposal is to redirect the $200,000 BarBooks funds back to PLF funds beginning 2021. The reasoning is that under current circumstances "in good faith the PLF BOD feels there is a good basis to redirect the funds elsewhere."

Ms. Mullen opened the topic to further discussion.

Ms. Mitchell said that given the resources for both services are important, she questions whether we can work out a compromise. She is not making a motion, but questioning if we can do this.

Ms. Morrow commented that in the interest of complete transparency, she wants to help the BOD understand the impact of increasing OAAP services in Oregon while maintaining BarBooks. She also stated she has "no dog in this show" between expanding OAAP services and continuing BarBooks payment. Ms. Morrow provided for 2021 she is projecting a $2.2 million operating deficit. There is nothing extraordinary about this budget. She reminded the Board that in 2019, the assessment was reduced in order to spend down a growing surplus. However, the deficit was planned to be approximately $1.7 million annually due to decreased assessment revenue. Ms. Morrow said she can continue to fine tune the 2021 budget numbers but ultimately the two greatest operational costs are salaries and occupancy. The PLF is already using attrition to reduce salary costs but occupancy costs cannot be reduced due to lease commitments. Ms. Morrow stated it is her opinion

the PLF cannot responsibly both increase OAAP services while maintaining BarBooks payments. Not with a projected $2.2 million deficit for 2021.

Ms. Hierschbiel asked if it would be helpful to know the OSB budget for 2021 if there is no fee increase. The HOD has to approve fee increases. Under current circumstances and the climate, even though it sounds like a great idea for a fee increase, she doubts the HOD will approve an increase in 2021. Ms. Mullen appreciates hearing it, but does not feel it makes a difference with this discussion.

Ms. Mullen's personal take on this is that the Bar raise dues or the PLF raises the assessment. Financially, we are all in the same boat unless there is another way forward. Ms. Hierschbiel noted that the one thing she would say is that the BOG decides whether the PLF can raise the assessment. The HOD decides on OSB increase in dues. She believes the PLF has more of a chance to increase the PLF assessment than the Bar has to increase dues.

Mr. Hill said we could consider a compromised position down the road. What we need to decide now is to get rid of something that seems to be set at $200,000. If we do end that commitment, we are ready to discuss participating on a different level. We are committed to paying through the end of the year. It makes sense to both groups to reassess the difficult economic times we are in and determine if there is a number between zero and $200,000 sometime in the future.

Mr. Haker wants to second Mr. Hill's comments. He feels it was well stated and completely agrees. Mr. Newhouse said that he agrees as well.

Ms. Livermore moved that the PLF continue to pay the grant ($200,000) through the end of this year, that we thereafter cancel the grant (pursuant to the provision in the MOU related to changed circumstances), but that we invite the BOG to revisit this with us after 2021.

Ms. Mullen said that it sounds like the current motion would be to end the current MOU with its obligation to pay $200,000/annually at the end of 2020 in good faith, based on current circumstances.

Ms. Johnnie seconded the motion. Motion passed 8-0.

Ms. Mullen reiterated that the current payment will end at the end of 2020.

Ms. Mullen asked if the BOD wants to consider a Special Issues Committee meeting (Mr. Hill is the Chair of this committee) to discuss further the issue of joint funding of the Red Book, or have our Special Issues Committee meet with whatever group the OSB feels would be useful. Ms. Livermore agreed. In terms of further discussion, we need to know if there is a timing issue regarding this issue.

Mr. Grant asked Ms. Hierschbiel to get information to the HOD with respect to increasing member fees for the OSB. The BOG has to approve the HOD agenda at its September 25 meeting. That is the last opportunity for the OSB to make a decision about what fee increase they will ask for of the HOD. If the PLF wants to have

an impact on the amount of that fee increase, then the PLF needs to make a decision about continuing some amount of funding before that. If the PLF is willing to contribute something, the OSB would need a new MOU and include that when determining the amount of fee increase. Ms. Hierschbiel does not see a barrier procedurally for the PLF BOD now to move to provide a $100,000 payment for 2021 with a revisiting of whether to continue into the future beyond that.

Mr. Grant said that in the next month, the OSB has to determine what the fees will be (they are determined for a five-year cycle). The decision will impact programming for the next five years. If there is not some assurance within the next few weeks, including a decision, the BOG will assume the amount is zero.

Ms. Mullen said that she has not heard anyone say that they do not believe BarBooks has any value. The vote to discontinue the payment was not because BarBooks no longer has value. It is based on the substantial change in circumstances. Mr. Grant completely appreciates that.

Ms. Mullen suggested that if the Special Issues Committee plans to make any changes, Mr. Hill as Chair of the Committee, needs to make it happen before September 25, 2020.

Mr. Hill said that he is willing to get involved quickly to get an answer to Mr. Grant. Mr. Hill asked if the OSB gets approval of the bar dues increase, is it for a five-year period? Ms. Hierschbiel said it would be for a five-year period. If we decided quickly today to do something for one year, that would only cover a one-year span, as opposed to the BOG five-year period. Mr. Hill encourages the OSB to request the $13+ increase in dues for their upcoming September 25 meeting. He does not think the OSB should wait for the PLF to make a decision on what we may do in the future.

Ms. Johnnie suggested another option of not increasing bar dues and charging for BarBooks at a nominal rate. Ms. Hierschbiel agreed this is another option. In the past, in order to run the program and keep it in the black, the OSB had to charge between $400 and $1,000 to keep it running.

Ms. Cook said that Cindy Hill will give reasonable notice and will call a special meeting of the Committee between now and when the BOG needs to hear from us.

Ms. Mullen motioned that Mr. Hill and the Special Issues Committee will look into this issue and vote prior to September 25, 2020. Ms. Livermore seconded the motion. Motion passed unanimously 8-0.

4. UNFINISHED AND NEW BUSINESS

Ms. Mullen discussed new business. The PLF is considering not having the annual dinner due to the pandemic and cost saving reasons. We do not expect we will be able to gather due to COVID-19.

Ms. Mullen asked which Board members were in favor of canceling the annual dinner on December 4, 2020. All Board members agreed to cancel the dinner this year.

15. ADJOURNMENT

The meeting adjourned at approximately 3:50 p.m.

These minutes were approved by the PLF Board of Directors at its October 9, 2020 board meeting.

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EXECUTIVE SESSION MINUTES
SPECIAL MEETING
OREGON STATE BAR
PROFESSIONAL LIABILITY FUND
BOARD OF DIRECTORS

August 26, 2020
Zoom Videoconference

The Special Meeting of the Board of Directors via Zoom was called to order at approximately 2:34 p.m. by Chair, Molly Jo Mullen, pursuant to ORS 192.660(2)(f) and (h) to discuss BarBooks funding.

Present in addition to Ms. Mullen were Directors Mr. Newhouse, Ms. Mitchell, Ms. Livermore, Ms. Johnnie, Mr. Batlan, Mr. Haker, Mr. Hill, and Ms. Bernick. In addition, PLF staff members Ms. Cook, Ms. Campbell, Ms. Morrow, Mr. Borrillo, Mr. Crawford, Ms. Hill, and Ms. Preble attended all or part of the meeting.

This meeting was noticed and conducted in compliance with the Oregon Public Meetings Law, ORS 192.610, et seq. and a quorum was verified.

There was a discussion of the legal issues relating to the cessation of funding BarBooks and it was generally agreed that there had been a change of circumstances sufficient to warrant ending the agreement as well as reasonable notice of this to the OSB.

There was further discussion regarding the background of how this issue had developed and whether there could be any compromise. The Board then decided to move back into open session to continue the discussion.

Executive session ended at 2:58 p.m. and we moved back into open session at 3:05 p.m., at which time, BOG members Mr. Medina, Mr. Wade, and Mr. Grant, as well as Ms. Hierschbiel (OSB CEO) and Mr. Williams (OSB CFO) rejoined the meeting.

ADJOURNMENT

The executive session meeting adjourned at approximately 2:58 p.m.

These minutes were approved by the PLF Board of Directors at its October 9, 2020 board meeting.