

MINUTES
HAWAII STATE BAR ASSOCIATION
BOARD MEETING

1100 Alakea Street, Suite 1000
Honolulu, HI 96813

Wednesday, December 28, 2011

1. CALL TO ORDER

President Louise Ing called the meeting to order at 11:43 a.m. with a quorum present. The following persons were present for all or part of the meeting:

Officers Present

Louise Ing
Carol Muranaka
Craig Wagnild
Ronette Kawakami
Robert Godbey

Directors Present

Nadine Ando
Steven Chow
Rhonda Griswold
Robert Harris
Geraldine Hasegawa
Carol Kitaoka
Derek Kobayashi
Christine Kubota
Gregory Markham
Gerald Matsunaga
Timothy McNulty
Suzanne Terada
Calvin Young
Levi Hookano

Board Members Absent

Vladimir Devens
William Harrison

Others Present

Russ Awakuni
Rai Saint Chu
Victor Geminiani
Hugh Jones
Nalani Fujimori Kaina
Dew Kaneshiro
James Kawachika
Nanci Kreidman
Laurel Loo
Mark Murakami
Peter Olson
John Roth
Jeffrey Sia
Jan Tamura
Shannon Wack
Lorenn Walker
Tracey Wiltgen

HSBA Staff

Lyn Flanigan
Patricia Mau-Shimizu
Iris Ito
Debra White

2. **APPROVAL OF MINUTES** – Minutes of the November 17, 2011 board meeting were approved by consensus.
3. **TREASURER'S REPORT** – Treasurer Robert Godbey reported that it appears HSBA will have income greater than expected and expenses less than previously forecasted at year's end. He suggested that any excess income be used to pay down the HSBA office mortgage. See attached written financials in board agenda for more detail.
4. **EXECUTIVE DIRECTOR'S REPORT** - Executive Director Lyn Flanigan reported:
(a) the Judiciary agreed to add headers (civil, criminal, or family) to their online published opinions; (b) HSBA has requested a termination of the memorandum of understanding between HSBA and the Supreme Court regarding the \$50 fee cap for MCPE courses; (c) as a member benefit provider, Civil Beat will offer a \$4.99/month subscription to HSBA members and HSBA will have five opportunities throughout the year to publicize its programs; (d) still waiting for information as to when the Kauai County Code will be posted to Casemaker; Kauai Director Gerald Matsunaga offered to follow up with Council Chair Mel Rapozo.
5. **YLD REPORT** - YLD President Levi Ho'okano reported that YLD is concluding its 2011 activities. As a memento for this past year, he presented YLD coins to President Ing and Ms. Flanigan. YLD President Ho'okano also introduced 2012 YLD President John Roth.
6. **UNFINISHED BUSINESS**
 - a. **501(c)(3)** – The Chair of the 501(c)(3) Committee and former HSBA President Jeffrey Sia provided background information on the issue of the formation of the 501(c)(3) entity. He further explained that the intent of forming this entity is to provide an avenue of resources so that HSBA can pursue activities consistent with HSBA objectives.

Comments from other 501(c)(3) committee members, legal service provider (LSP) representatives, and board members included: the potential for establishing this new entity can be great; the entity is being created to create more opportunities rather than to compete for funds with other non-profit LSPs; when starting a new entity, there is a need to know who will staff it, what activities it will undertake, and where funds will come from; recommendations that HSBA and other organizations work together to achieve common objectives; deferral of decision making and undertake more discussion on this issue; the need for more transparency; provide information to all LSPs that HSBA is forming a 501(c)(3); members and LSPs could have learned about the 501(c)(3) issue through the minutes which are posted on the HSBA website; the new entity could be the vehicle by which it could

collaborate with legal service providers to carry out their activities; the new entity will not dilute the funds that donors are willing to give.

There was also a discussion of conflicts of interest, or the appearance thereof, due to membership on other boards or commissions that may be affected by the formation of the HSBA's 501(c)(3) entity. It was clarified that HSBA board members do not need to recuse themselves from the vote, but they need to disclose the relationship that may give the appearance of a conflict of interest.

Action taken: After further discussion, a motion was made and seconded to table the issue while further discussions are held with legal service providers to explore other options and for the Executive Director to report back in six months with an implementation plan to address the issue. The motion failed by a vote of 6 to 9.

Action taken: A subsequent motion was made and seconded to establish a 501(c)(3) with the amendment to remove the names of the sitting HSBA Board members from the Board of Directors as listed in the proposed Articles of Incorporation of the Hawaii State Bar Foundation and to require the Executive Director to report back in six months with a plan to address implementation issue. The motion carried by a vote of 11 to 4.

Directors Rhonda Griswold and Gregory Markham and YLD President Ho'okano abstained from voting.

- b. **Self-Help Centers Update** - DLSP Committee Chair Shannon Wack reported that Maui is working to establish its Self-Help Center. She commented that Maui is considering giving legal advice; not just legal information. She also stated that Hilo will have a judicial conference in January and will include a discussion on self-help centers. Ms. Wack said that Oahu's center will be run through VLSH's volunteer program for insurance coverage for volunteers giving legal advice.

7. NEW BUSINESS

- a. **Mortgage Refinancing** - Treasurer Godbey reported that the Executive and Finance Committees agree that refinancing the mortgage is a good idea. He added that First Hawaiian Bank's proposals seemed most favorable; the question is to decide between the 5 year proposal and the 10 year proposal. There was a discussion of pre-payment penalty; Vice President Craig Wagnild explained that the current mortgage includes a clause that allows HSBA to pay down the build-out loan with no penalty.

Action taken: After further discussion, a motion was made and seconded to approve the Executive and Finance Committees' recommendation for HSBA to refinance its mortgage with FHB. The motion carried without opposition. HSBA will offer a counterproposal to modify the proposal slightly for a 10-year

loan term with the interest rate fixed at 5.00% for ten years for the acquisition loan, and for the construction loan, go with the 10-year loan term with the interest rate fixed at 3.75% for five years instead of the original options where both loans would have the same fixed time period for the interest rates.

- b. **Meeting with VLSH** - President Ing reported that a meeting was held between HSBA and VLSH representatives at which VLSH administrative challenges were discussed, as well as new opportunities for collaboration.
- c. **Community Briefing** - the Board discussed the request of the Education Committee of the Access to Justice Commission to co-sponsor community briefings in name only. President-elect Muranaka inquired as to whether HSBA wants to have its name on the flyer as a co-sponsor for the January 11th community briefing, and the cost of the insurance rider that HSBA requires the co-sponsoring organization pay.

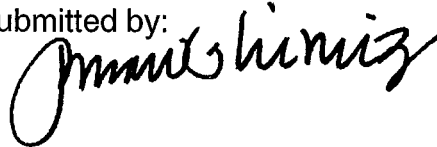
Action taken: After further discussion, a motion was made, seconded, and carried without opposition to co-sponsor the January 11, 2012 community briefing in name only.

- d. **Disclosure Issue** (Executive Session)

8. **ADJOURNMENT**

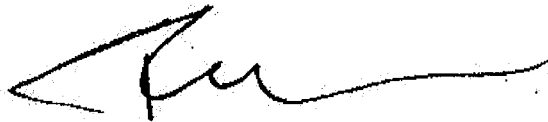
The meeting adjourned at 2:50 p.m.

Submitted by:



Patricia Mau-Shimizu
HSBA Executive Director

Approved by:



Ronette M. Kawakami
HSBA Secretary