



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

**December 10, 2021
Tigard, Oregon and Via Zoom**

Chair Gina Johnnie called the regular meeting of the Board of Directors to order at approximately 9:10 a.m. In addition to Ms. Johnnie, the following board members attended in person: Holly Mitchell, Michael Batlan, and Steve Hill. The following board members attended via Zoom: Julia Manela, Harshi Waters, Akeem Williams, and Chris Karlin. Board member Oren Haker did not attend the meeting. PLF new board members effective January 1, 2022 Ali Hilsher and Michelle Johansson attended open session via Zoom. BOG liaisons David Wade, John Grant, and incoming BOG president Kamron Graham, as well as OSB CEO Helen Hierschbiel attended open session in person. PLF staff present in person were Megan Livermore, Betty Lou Morrow, Madeleine Campbell, Matt Borrillo, Cindy Hill, Hong Dao, Emilee Preble, Sharnel Mesirov, Monica Logan, and Rachel Edwards. Staff present via Zoom were Kyra Hazilla, Sarah Troutt, Pam Stendahl, and Maureen DeFrank.

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

1. CHAIR REPORT (Ms. Johnnie)

Ms. Johnnie welcomed new board members, Ali Hilsher and Michelle Johansson.

Approval of Open Session Minutes.

(A)i. Draft Open Session Minutes (10/15/21) Board of Directors Meeting:

Approval of Executive Session Minutes in Open Session.

(A)ii. Executive Session Minutes (10/15/21) Board of Directors Meeting:

(A)iii. Executive Session Minutes (11/10/21) Board of Directors Meeting:

Ms. Mitchell moved and Mr. Batlan seconded that the October 15, 2021 minutes (Open Session) and the October 15, 2021 and November 10, 2021 minutes (Executive Session) be approved. The motion passed 8-0 (1 absent).

(B) Committee Minutes (Open Session):

- i. August 2, 2021 Finance/Investments Committee
- ii. October 26, 2021 Joint BOG/BOD Special Issues Committee re Office/Practice Location Standards

There was no discussion and no action was required.

(C) CEO Evaluation:

Ms. Johnnie reported that the Board would discuss the CEO Evaluation in executive session.

(D) Board News:

Ms. Johnnie wished Ms. Mitchell a happy birthday this month.

2. CEO REPORT (Ms. Livermore)

(A) General Report:

Ms. Livermore provided a new PLF organization chart and reported on the newly-implemented vaccine mandate; expected return to the office policy; and BOG approval of PLF budget, coverage plans and new board members. Ms. Livermore recruited an additional board member for the OSB's Contingency Committee. Mr. Williams volunteered to serve.

(B) New Board Member Announcements:

Ms. Livermore welcomed Ali Hilsher and Michelle Johansson.

(C) 2022 Committee Assignments:

Ms. Livermore referred the Board to the committee assignments in the materials.

(D) Paraprofessional Licensing Program Overview:

Ms. Livermore reported that the BOG approved the initial report of the OSB's Paraprofessional Licensing Implementation Committee. The PLF will start planning in earnest regarding providing PLF coverage for licensed paraprofessionals, as requested by the committee.

3. General Counsel Report (Ms. Campbell)

(A) Update on the Task Force for Alternative Pathways for Bar Admission:

i. 2021-11-30 Supplemental Report of the Alternatives to the Bar Exam Task Force, with 11/29/21 Attachment.

Ms. Campbell updated the Board on the above task force. If interested in any of the details, she encourages people to look at the materials. There are two options: an experiential program in law school or a post-graduation apprenticeship program.

Mr. Wade said he is hopeful the Supreme Court will approve.

(B) PLF Coverage for Attorneys Temporarily Admitted to Practice – PLF Bylaws, Article 1.1 and Policy 3.150:

Ms. Campbell asked the Board to approve revisions to PLF Bylaws, Article 1.1 and PLF Policy 3.150 that are necessary to provide coverage for attorneys temporarily admitted to practice, as approved by the Board at its October 2021 meeting.

Ms. Johnnie moved and Ms. Mitchell seconded that the Board approve the proposed amendments to PLF Bylaws, Article 1.1 and PLF Policy 3.150 as written. Motion passed 7-0 (1 absent; 1 unable to vote due to technical difficulties with Zoom).

4. CLAIMS REPORT (Mr. Borrillo):

(A) General Claims Report:

Mr. Borrillo expects to end the year with under 700 claims (another low year). The work has nonetheless been unusually busy due to complex cases. He anticipates the claim count will return to 850 to 900 claims per year at some point.

Mr. Borrillo reported that the claims evaluations continue to be great.

Mr. Borrillo reported that estate planning continues to be an area of law with a large number of claims and domestic relations claims are also on the rise.

5. FINANCIAL REPORTS (Ms. Morrow/Mr. Higgins, RVK)

(A) RVK Presentation (Mr. Higgins):

- i. 2021-September 30 Quarterly Investment Performance Report.

Mr. Higgins reported that the S&P was up about 15.92% CYTD (current year to date) while International developed markets did not do as well at 12.4% CYTD. Fixed income returns have weakened as near historically low interest rates began to creep up. Real Estate is up by 11.57% CYTD. At September 30, 2021, the return CYTD ex low duration was 7.32%.

The PLF continues to have a diversified portfolio with equities and real estate providing earnings while low duration funds provide liquidity. The PLF's portfolio, ex low duration is comprised of 56% equities; 35% fixed incomes; and 9% real estate.

- ii. 2021-Q3 Executive Summary.

Ms. Morrow referred the Board to the Executive Summary on page 146 of the materials.

(B) 2021-October 31 Financial Statements (Ms. Morrow):

Ms. Morrow referred the Board to the balance sheet on page 151 of the materials. As of October 31, 2021, the current aggregated net position is \$33.4 million. The net position goal is a topic on the Investment Committee agenda for 2022.

Ms. Morrow referred the Board to the Statement of Revenue and Expenses on Page 152 of the materials.

6. PRACTICE MANAGEMENT ASSISTANCE PROGRAM (PMAP) (Ms. Dao)

(A) Practice Management Assistance Program Update:

Ms. Dao discussed the areas lawyers are struggling with – transition, leaving practice, moving firms, etc. She noted that more firms and lawyers are moving away from existing technology to more cloud services, exploring ways to access information more readily. Remote access continues to be a big challenge for lawyers in large firms, dealing with training and onboarding, virtually and in person.

Ms. Dao reported that Learning the Ropes (Ropes) was well received. Ms. Dao referred the Board to the materials for additional information.

7. OREGON ATTORNEY ASSISTANCE PROGRAM (OAAP) (Ms. Hazilla):

(A) OAAP Report

Ms. Hazilla reported that the OAAP received almost 2,000 contacts this year. They gave 35 presentations with a total of about 1,500 attendees. Mr. Welch commented that isolation from working at home is a theme with many of the people they work with.

8. EXCESS PROGRAM (Ms. Preble)

(A) Excess Program 2022 Renewal Update:

Ms. Preble reported that we are currently in renewal season. We cover about 700 law firms and 2,000 lawyers. All renew on January 1. We have already received over 50% of expected applications (395 as of this morning, which equates to about 1,000 lawyers).

Ms. Preble reported that the cost for most firms for 2022 coverage is about 5% higher than last year. Some firms are up around 10%. There is a lot of pressure in reinsurance markets to raise rates.

9. LIAISONS' REPORT (BOG) (Mr. Wade/Mr. Grant):

(A) BOG Update:

Mr. Wade gave the report.

Portal Project – the project is moving forward. Mr. Wade gave a quick overview: There is collaboration between three organizations where people can get information about self-representing (the Oregon Judicial Department, the Oregon State Bar, and Legal Aid). Following Michigan's example, they are merging websites of all three organizations onto one website to provide comprehensive assistance to unrepresented parties.

Diversity Action Plan (DAP) – Mr. Wade reported that there is assurance it will be implemented and funded.

Leadership Institute – The Leadership Institute had its first class this year.

Legal Aid Funding – Legal Aid received an \$80 million donation. The money will be invested to guarantee \$4 million per year, plus inflation for the next 20 years. Legal Aid also received money to assist with the landlord-tenant issues.

Mr. Wade discussed the Cy Pres monies and noted that it is not the last donation they will receive from class action lawsuits. The funds are from unclaimed monies and intended for the benefit of the general public. Funds are earmarked for legal aid.

Ms. Livermore thanked Mr. Wade and Mr. Grant for being PLF liaisons.

10. UNFINISHED AND NEW BUSINESS:

There was no unfinished or new business to discuss.

11. EXECUTIVE SESSION

Ms. Johnnie called the meeting into executive session at approximately 11:35 a.m., pursuant to ORS 192.660(2)(f) and (h) to discuss claim matters and other executive session issues. See separate executive session minutes.

13. ADJOURNMENT

The meeting adjourned at approximately 11:35 a.m.

These minutes were approved by the PLF Board of Directors at its February 11, 2022 board meeting.