

STATE BAR OF NEVADA

November 21, 2016

Chief Justice Ronald Parraguirre
Nevada Supreme Court
201 South Carson Street
Carson City, NV 89701-4702

Re: Amendments to Nevada Supreme Court Rules (ADKT 0499)

Dear Chief Justice Parraguirre:

Thank you for the opportunity to provide comment regarding the Court's November 15, 2016 Order concerning the Nevada Board of Continuing Legal Education ("CLE Board"), specifically regarding CLE Board term limits and suggested reserves.

The amended Rule divides the appointment of CLE Board members between the Court and the State Bar of Nevada. We recommend the Court amend the language in SCR 207 (4)(a) so that Board member terms are staggered. A proposed amendment is as follows:

SCR 207. Creation of the Board

(4)(a). The members of the board shall be appointed for three-year terms. The terms of the board members shall be staggered. No attorney or judicial representative may serve on the board for more than a lifetime total of nine years. The time served in filling a partial term created by a vacancy shall not be included in computing the nine-year lifetime limit.

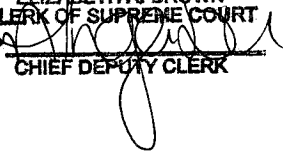
To facilitate this amendment, we recommend the Court implement two-year terms for two of its initial appointments with three-year terms thereafter. We have enclosed a suggested Exhibit B demonstrating the appointment process.

Secondly, we were asked to provide feedback on CLE Board Reserves. We reviewed the CLE Board Balance Sheet filed with the Court on September 20, 2016 (also enclosed with this letter). Although the Balance Sheet provides an accounting of checking and savings assets totaling \$512,640.20, there is no indication that these funds are held in a designated reserve fund.

Absent current CLE Board financial statements and cash flows for operations, we are unable to make a baseline recommendation for designated reserve funds. However, I can share that the State Bar of Nevada operates with a ten percent operations reserve policy, which is typical of similar organizations. A ten percent reserve provides sufficient funding for an organization to operate with a skeleton crew or close its operations in the event of a financial catastrophe. Funds in excess of operational expenses and designated operations reserves should also be held in a designated reserve.

FILED

NOV 28 2016

ELIZABETH A. BROWN
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We understand that as the CLE Board begins the implementation process of its Business Plan additional questions may surface. We remain available to the Court and the CLE Board to provide consultation as requested.

Respectfully,

A handwritten signature in cursive script, appearing to read "Kimberly K. Farmer".

Kimberly K. Farmer
Executive Director

cc: Justice James W. Hardesty, Chair, Blue Ribbon Commission
Bryan K. Scott, President
Elizabeth Brown
Jenny Hubach, Chair, Nevada Board of Continuing Legal Education

Enclosures:

Proposed Amendment to Exhibit B
CLE Board Balance Sheet as of September 15, 2016

PROPOSED AMENDMENT TO EXHIBIT B

Board Member	Original Appointment Date	Last Appointment	Date Term Expires	Revised Rule Appointing Authority	Lifetime Term Expires
Hon. Janet Berry	December 31, 2014	December 31, 2014	December 31, 2017	Supreme Court	December 31, 2023
Frank Flaherty ¹	January 21, 2014	January 21, 2014	December 31, 2016	Board of Governors	December 31, 2023
Jenny Hubach	August 18, 2009	April 3, 2014	December 31, 2017	Supreme Court	December 31, 2018
Vic Drakulich	June 27, 2012	January 13, 2015	December 31, 2018	Supreme Court	December 31, 2021
Kathleen Paustian	April 3, 2014	April 3, 2014	December 31, 2017	Supreme Court	December 31, 2023
Richard Dreitzer	January 13, 2015	January 13, 2015	December 31, 2017	Board of Governors	December 31, 2024
Megan Hoffman	January 13, 2015	January 13, 2015	December 31, 2017	Board of Governors	December 31, 2024

¹ Subject to reappointment by the Board of Governors in December 2016.

NEVADA BOARD OF CLE
Balance Sheet
As of September 15, 2016

Sep 15, 16

ASSETS	
Current Assets	
Checking/Savings	
10100 · Wells Fargo Bank	11,650.85
10200 · Wells Fargo Savings	138,600.94
10300 · Morgan Stanley	
10305 · Morgan Stanley - Cash	471.39
10311 · Bank Baroda NY 2-8-17	50,000.00
10312 · GE Cap Ret Bank 1-31-18	40,000.00
10314 · Compass BK Birmingham 7-31-17	28,000.00
10315 · Goldman Sachs New York 9-26-16	30,000.00
10316 · Goldman Sachs 9-17-2018	25,000.00
10317 · BMO Harris Bank Chicago 5-25-18	25,000.00
10318 · Bank India NY City 11/23/16	25,000.00
10319 · Goldman Sachs NY 5/25/17	25,000.00
10320 · AMEX Centurion SLC 11/27/17	25,000.00
Total 10300 · Morgan Stanley	273,471.39
10400 · Wells Fargo Investments	
10401 · Wells Fargo Cash	3,917.02
10403 · Compass Bank CD 12-11-17	85,000.00
Total 10400 · Wells Fargo Investments	88,917.02
Total Checking/Savings	512,640.20
Total Current Assets	512,640.20
Fixed Assets	
13000 · Furniture, Fixtures, Equipment	77,149.36
14000 · Accumulated Depreciation	-29,888.79
Total Fixed Assets	47,260.57
TOTAL ASSETS	559,900.77
LIABILITIES & EQUITY	
Liabilities	40,658.79
Equity	
30000 · Opening Balance Equity	95,767.11
32000 · Retained Earnings	331,895.86
Net Income	91,779.01
Total Equity	519,241.98
TOTAL LIABILITIES & EQUITY	559,900.77