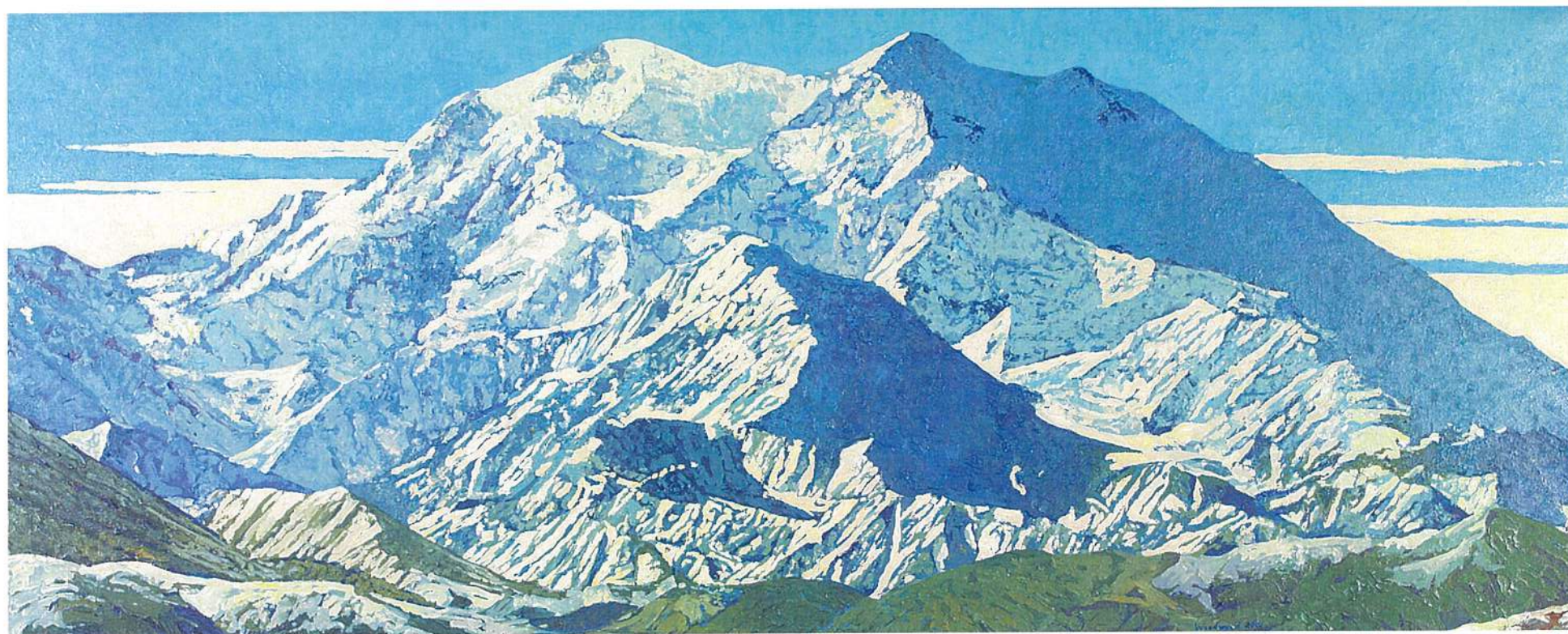


ALASKA BAR ASSOCIATION

2006 Annual Report





Board of Governors and Bar staff representatives visit the Valdez Bar Association for pro bono outreach.

THE ALASKA BAR ASSOCIATION

2006 Board of Governors

John Tiemessen, President
 Matthew Claman, President-Elect
 Sidney Billingslea, Vice President
 William Granger, Secretary
 Philip Pallenberg, Treasurer
 Chris Cooke
 Joe Faulhaber
 Michael Hurley
 Allison Mendel
 Mitchell Seaver
 Krista Stearns
 Jason Weiner
 Maude Blair (New Lawyer Liaison)

Staff

Deborah O'Regan, Executive Director
 Barbara Armstrong, Assistant Director & CLE Director
 Krista Scully, Pro Bono Director
 Kristi Powell, Executive Assistant
 Karen A. Schmidkofer, Controller
 Candice Goard Bryant, Accounting Assistant
 Kara Bridge, CLE Coordinator
 Devon Richardson, Admissions Assistant/Receptionist
 Charissa Feltman, Lawyer Referral Assistant

Stephen J. Van Goor, Bar Counsel
 Mark Woelber, Assistant Bar Counsel
 Louise R. Driscoll, Assistant Bar Counsel
 Deborah C. Ricker, Discipline Investigator/Paralegal
 JoAnne Baker, Section Coordinator & Arbitration/Discipline/CLE Library
 Ingrid Varenbrink, Arbitration/Discipline/CLE Library
 Gail Welt, Executive Assistant
 Annette Ravithis, Discipline Secretary
 Jonathan Minton, CLE Assistant

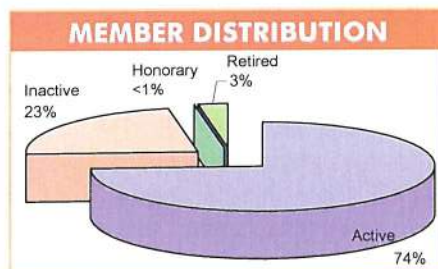
Introduction & Overview

In 2006, the Alaska Bar Association had 3,819 members in the following categories: 2,858 Active (2,367 In-state and 491 Outside), 859 Inactive, 101 Retired, and 1 Honorary. Its affairs are governed by a 12-member Board of nine attorneys and three non-attorney citizens. A (non-voting) New Lawyer Liaison also advises the Board.

Written guidelines for governance are contained in the Integrated Bar Act, the Alaska Bar Rules (promulgated by the Supreme Court of Alaska), the Alaska Rules of Professional Conduct, the Association's Bylaws and Regulations, the Board of Governors' Policy Manual, and a Personnel Manual.

The two most important functions of the Bar are the admission and discipline of its members, both of which are carried out under the supervision of the Supreme Court of Alaska.

There are presently 9 standing committees, 22 sections, 5 bar rule committees, and special committees as appointed by the Board. In addition, the Bar Association participates in a number of adjunct organizations and administers special projects, such as the Statewide Lawyer Referral Service. More than half of the membership participates, voluntarily and without remuneration, in the affairs of the Association. The staff of the Alaska Bar has grown from a part-time, volunteer executive secretary when it was founded in 1968, to 18 employees.



The Association is primarily funded by its membership's annual dues, continuing legal education program registration fees, admissions, the annual convention, the Lawyer Referral Service, and interest income. The Association received no public monies in the 2006 fiscal year.

Principal Activities

• Bar Examination

The Alaska Bar Examination is conducted twice annually in Anchorage, Fairbanks, Juneau, and Ketchikan and in such other locations as the Board directed. Starting in 2007, the Bar exam will be offered only in Anchorage, Juneau and Fairbanks. It consists of: 1) one day of essay questions

2002 - 2006 Bar Exam Results

Date	Applicants	Passed	Pass Rate
July 2006	82	52	63%
	64 1st timers	46	72%
Feb. 2006	66	40	61%
	46 1st timers	36	78%
July 2005	70	39	56%
	49 1st timers	35	71%
Feb. 2005	62	44	71%
	50 1st timers	39	78%
July 2004	61	43	70%
	52 1st timers	40	77%
Feb. 2004	56	37	66%
	31 1st timers	27	87%
July 2003	86	51	59%
	63 1st timers	44	70%
Feb. 2003	53	27	51%
	31 1st timers	25	81%
July 2002	60	31	52%
	42 1 st timers	23	55%
Feb. 2002	35	20	57%
	23 1 st timers	14	61%

“The two most important functions of the Bar are the admission and discipline of its members, both of which are carried out under the supervision of the Supreme Court of Alaska.”

Admissions

All applicants are required to attend a course on ethics as prescribed by the Board prior to admission.

All applicants must also submit an affidavit that they have read and are familiar with the Alaska Rules of Professional Conduct. (Bar Rule 64)

on Alaska law prepared by a permanent committee of the Association known as the Alaska Law Examiners; 2) two half-days of objective, multiple choice questions (the Multistate Bar Examination or "MBE"), prepared by the National Conference of Bar Examiners (NCBE) and administered simultaneously in more than 40 states; and 3) a half day of the performance test (the Multistate Performance Test of "MPT") prepared by NCBE.

In addition, a Multistate Professional Responsibility Exam (MPRE) is given separately three times a year (March, August, and November).

In 2006, 148 individuals took the Bar Exam and 92 passed the exam.

ADMISSION WITHOUT EXAMINATION

Bar Rule 2, Section 2 provides an admission without examination rule, with reciprocity provisions. An applicant who has taken a written bar exam in a reciprocal jurisdiction and has engaged in the active practice of law for five of the previous seven years may be eligible for reciprocal admission.

In 2006, 30 applicants were approved for admission without examination.

• Discipline of Members

The Alaska Supreme Court has held that an attorney's license to practice law is "a continuing proclamation by the Court that the holder is fit to be entrusted with professional and judicial matters...as an officer of the courts." Investigation and recommendations for professional

conduct matters have been delegated by the Court to the Bar Association.

Expenditures for the Discipline Section totaled \$646,385 during 2006, a substantial allocation of Bar Association resources for the protection of clients, the public, and the legal system in Alaska.

2006 GRIEVANCES

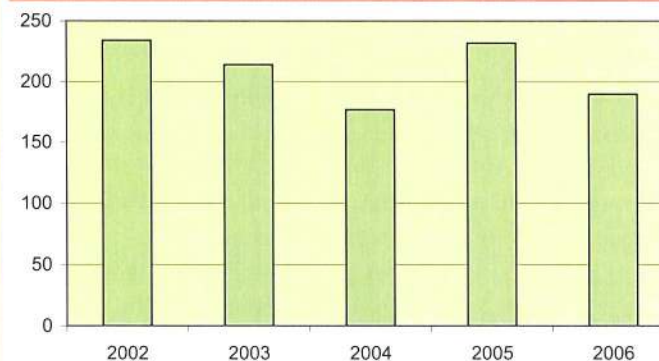
The Discipline Section processed 190 grievances in 2006 compared with 232 in 2005, representing an 18% decline. Summary statistical data related to discipline status are contained in the charts.

2006 Grievances

The number of grievance matters processed declined 18%

New Cases Opened	43
Grievances Not Accepted for Investigation.....	147
2006 Grievance Volume Total	190

GRIEVANCE VOLUME 2002 - 2006



Discipline Case Statistics¹

2002-2006

	'02	'03	'04	'05	'06
Open cases pending as of Jan. 1.....	88	106	83	63	61
New cases opened in 2006(+)	42	25	31	36	43
TOTAL open and new cases	130..	131..	114...	99..	104

Cases closed in 2002-2006

Closed after disbarment by Supreme Court.....	5	17	0	3	0
Closed after suspension by Supreme Court.....	6	1	10	3	7
Closed after probation ended	0	0	0	0	0
Closed after public censure by Supreme Court.....	0	1	1	4	0
Closed after reprimand publicly imposed by Disciplinary Board	0	2	0	1	2
Closed after reprimand privately imposed by Disciplinary Board	0	0	1	0	2
Closed after written private admonition by Bar Counsel.....	0	0	2	3	4
Dismissed by Bar Counsel	13	26	36	24	31
Closed after mediation.....	0	1	1	0	0
TOTAL closed cases (-)	24	48	51	38	46

**Open cases pending
as of Dec. 31** 106 83 ... 63... 61 58

¹ All numbers reflect individual grievances filed and not the number of attorneys involved.

Status of Open Cases as of December 31, 2002 - 2006

	'02	'03	'04	'05	'06
Pending First Response from Respondent Attorney	6	3	7	7	3
Pending Complainant's Reply	4	3	1	2	1
Pending Second Response from Respondent Attorney	1	0	7	0	0
Pending Bar Counsel Investigation/Decision	67	62	32	25	23
Abeyance Pending Outcome of Related Court Case	2	2	2	9	9
Pending Mediation	1	1	0	0	0
Abeyance Pending Outcome of Fee Arbitration	0	0	0	0	0
Pending Approval to Issue Written Private Admonition	0	0	0	1	0
Pending Acceptance of Written Private Admonition by Respondent Attorney	0	0	1	0	0
Pending Approval to File Petition for Formal Hearing	0	0	5	8	10
Pending Stipulation for Discipline between Bar Counsel and Respondent Attorney	0	2	0	0	0
Pending Stipulation Consideration by Disciplinary Board	0	0	0	6	0
Pending Stipulation Consideration by Supreme Court	0	0	0	0	0
Pending before Area Hearing Committee	7	1	0	0	5
Pending before Disciplinary Board	17	2	2	0	5
Pending before Supreme Court	0	6	5	2	1
Respondent Attorney on Probation	1	1	1	1	1
TOTAL open cases	106	83	63	61	58

SUMMARY OF PUBLIC DISCIPLINE ACTIONS IN 2006

The Alaska Supreme Court suspended William T. Ford for 90 days effective February 27, 2006. Mr. Ford was subsequently reinstated effective June 2, 2006. The Court publicly censured and suspended Eugene B. Cyrus for 6 months effective May 3, 2006. The Court suspended Michael A. Stepovich for three years with one year stayed effective October 15, 2006.

The Disciplinary Board publicly reprimanded Mikel R. Miller effective April 25, 2006 based on a public reprimand imposed by the Supreme Court of the State of Oregon, and publicly reprimanded Calvin P. Vance effective September 8, 2006 based on a public reprimand imposed by the

“The Bar Association, under the Alaska Bar Rules, maintains an Attorney Fee Dispute Review Committee to hear fee disputes between attorneys and clients.”

Disciplinary Board of the Supreme Court of the State of Oregon.

SUMMARY OF REINSTATEMENT ACTIONS, 2006

A suspended or disbarred attorney may be reinstated by the Alaska Supreme Court, but only after the appropriate review procedures are followed.

As reported above, William T. Ford was reinstated on June 2, 2006.

SUMMARY OF DISABILITY ACTIONS IN 2006

The Rules of Disciplinary Enforcement also anticipate circumstances where the need for protection of the public arises from mental or physical infirmity, illness, or addiction to controlled substances.

Robert C. Nauheim was transferred to disability inactive status due to a physical disability effective December 11, 2006.

• Attorney Fee Dispute Review Committee

The Bar Association, under the Alaska Bar Rules, maintains an Attorney Fee Dispute Review Committee to hear fee disputes between attorneys and clients where such disputes have not been determined by statute, court rule, or decision. Five subcommittees residing in Ketchikan, Juneau, Anchorage, Kenai and Fairbanks comprise the Committee. Each subcommittee consists of a “pool” of attorney and non-attorney members who serve for three years on a volunteer basis. From these subcommittees, a panel of two attorneys and one non-attorney is convened to hear a fee dispute. If the amount in dispute is \$5,000 or less, a single panel member hears the matter.

2002 - 2006 Fee Arbitration Statistics

	'02	'03	'04	'05	'06
Arbitrations pending January 1	32 ...	37 ...	33 ...	21 ...	27
Arbitrations opened during year (+)	55 ...	58 ...	39 ...	60 ...	53
Arbitrations closed during year (-)	50 ...	62 ...	51 ...	54 ...	54
Arbitrations pending Dec. 31/year-end	37 ...	33 ...	21 ...	27 ...	26

• Lawyers' Fund for Client Protection Committee (LFPCP)

The Bar Association maintains a fund for the purpose of reimbursing attorneys' clients who have suffered non-insured losses of money, property, or other things of value, as a result of dishonest conduct by attorneys. Dishonest conduct is defined as acts of embezzlement, wrongful taking, or conversion of money, property, or other things of value. The monies of the Fund come from yearly assessments on active members, paid concurrently with membership dues, as well as interest earned on the Fund balance.

2006 LFPCP Actions

Case Number	Reimbursement(s)* Paid by Board	Reimbursement(s) Rejected by Board	Reimbursement(s) Rejected by LFPCP Committee
2005L001	\$22,000		
2006L001	\$2,600		
2006L003		\$3,500	
2006L007	\$3,000		
2006L010		\$3,500	
2006L015		\$7,500	
2006L016		\$6,500	
2006L017		\$850,000	
2006L018		\$2,500	
2006L020	\$3,000		
2006L021	\$1,372.11		
Totals	\$31,972.11	\$892,500.00	

*Figures reflect reimbursements from the Fund which may be less than the amount requested by the claimant.

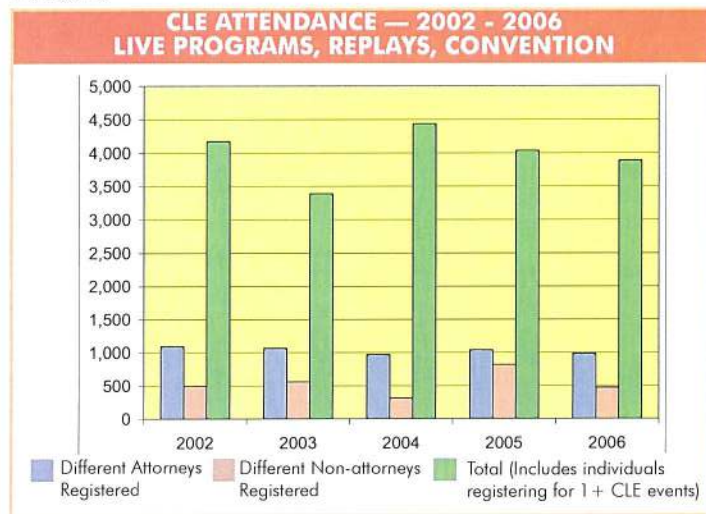
At the close of 2006, fourteen (14) claims were pending before the LFCP Committee. The Committee and the Board of Governors took action on eleven (11) claims during the year.

• Continuing Legal Education (CLE)

The Continuing Legal Education Committee and the Association's Director of Continuing Legal Education are responsible for presenting and administering all CLE programs and activities, including the CLE Library.

The substantive law sections of the Bar Association are responsible for sponsoring a minimum of one CLE seminar every two years. In 2006 there were 22 active substantive law sections, with a total membership of 1,425.

The majority of live CLE programs are presented in Anchorage, which has the largest concentration of lawyers in the state.

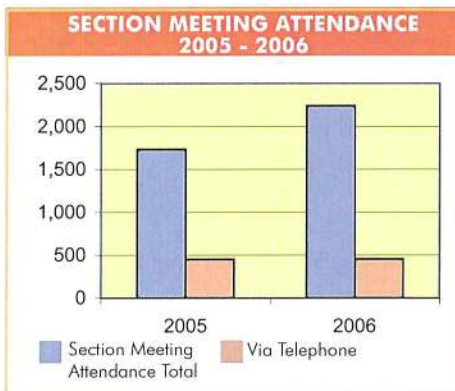


To provide CLE opportunities for attorneys practicing outside of Anchorage, law firms in Juneau, Fairbanks, and Kenai host regularly scheduled group video replays of CLE seminars. These locations receive full video presentations and course materials. Other communities in Alaska may also request a group video replay. The Bar also provides online CLE programs.

The Alaska Bar CLE program continues to work with Seattle University School of Law CLE and Summer Law School Programs. Faculty of the Seattle University Law Program at UAA meet with the Bar's substantive law sections, and section members make presentations to the law students enrolled in the program.

Since 2003 the Bar has partnered with the American Law Institute-American Bar Association (ALI-ABA) to offer their live satellite-delivered CLEs at KAKM's studios in Anchorage. Beginning this year, ALI-ABA webcasting is an additional option for Alaska Bar members. In 2006, the Bar partnered with LegalSpan, an online educational delivery company, to provide more extensive online CLE options and to explore webcasting of Alaska Bar live programs. The Bar's inaugural webcast in October 2006, "A Trust Accounts

Ethics Refresher," was very successful with 90 registrants online and 21 registrants at the live broadcast site.



Alaska Bar CLE Attendance

In 2006, attendance at CLE programs totaled 3,888, including 111 speakers.

In addition, 1,783 attorneys attended in person and 456 participated by telephone in the Bar's substantive law sections' monthly meetings.

VCLE Compliance

For the reporting year of Jan. 1 - Dec. 31, 2006, 1,101 attorneys voluntarily complied with the VCLE Rule.

“ In addition to services associated with CLE, the Bar Association provides other programs to assist members of the Bar in their practices. ”

• Voluntary Continuing Legal Education (VCLE)

The Voluntary CLE Rule, originally a 3-year pilot project, became effective on September 2, 1999 and recommended a minimum of 12 hours of approved CLE credit (including one in Ethics) each calendar year.

This incentive-based VCLE rule was adopted by the Alaska Supreme Court in response to the rule proposed by the Alaska Bar. Those members complying with the VCLE rule:

- receive a discount on Bar dues,
- may participate in the Lawyer Referral Service, and
- have their names published in an annual list of those who have met the Supreme Court's recommended guidelines.

The compliance or non-compliance with the VCLE Rule may also be taken into account in a disciplinary matter related to the competency of an attorney.

Bar members report annually. The Board of Governors voted in 2003 to revise the VCLE reporting procedure. Bar

2002 - 2006 CLE Programs Summary

	'02	'03	'04	'05	'06
Topics	24	23	18	29	26
Live Bar Programs	33	25	20	36	27
Mandatory Ethics*	2	2	4	5	5
Convention CLE Programs	16	10	13	9	14
Video Replays	59	62	36	42	40
Satellite Seminars	0	1	3	4	2

*Mandatory Ethics: A Short Course on Discipline and Fee Arbitration Procedures in Alaska, a one-hour videotape, is required viewing for admission to the Alaska Bar. Group video sessions are presented in the spring and in the fall. The format was changed to a one-hour video in the fall of 2004.

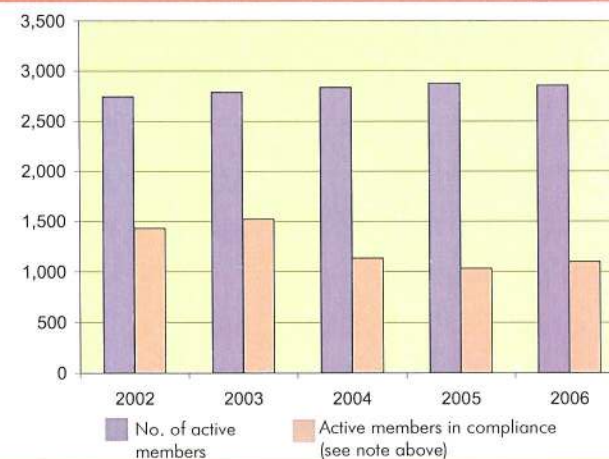
members now certify on their annual Bar dues statement whether or not they have completed the recommended minimum CLE hours and are in compliance with the VCLE Rule.

In May 2005, the Board of Governors appointed a Mandatory CLE Task Force, comprised of representatives of the Board, the Alaska Court System, and the Alaska Judicial Council, to study the issue of whether MCLE should be adopted in Alaska. The Task Force subcommittee reports were submitted to the Board of Governors in January 2006.

In September 2006, the Board of Governors voted to amend the Bar Rules to establish an MCLE program in Alaska, and to forward the proposed amendments to the Alaska Supreme Court for approval.

Note: These compliance numbers include members who did not turn in a form, but were nonetheless in compliance because they had adequate credits carried forward from the prior reporting year.

VCLE REPORTING STATISTICS — 2002-2006



Total Lawyer Referrals 2002 - 2006

	'02	'03	'04	'05	'06
Administrative	331	382	396	357	194
Admiralty	16	19	17	17	18
Adoption	27	34	34	37	16
Alaska Native Law	11	—	—	2	—
Arts	9	—	—	—	2
Bankruptcy	122	108	110	142	52
Commercial	185	148	123	212	112
Construction	36	14	37	40	29
Consumer	464	326	356	419	315
Criminal: Felony	144	130	127	228	92
Criminal: Misdemeanor	260	162	143	175	114
Discrimination	56	66	13	—	—
Divorce/Dissolution/Custody	1153	869	907	962	784
Eminent Domain	2	—	—	5	4
Environmental	2	—	—	6	6
Foreign Language	3	—	2	—	—
Guardian/Conservator	29	—	33	52	64
Immigration	41	25	70	—	28
Insurance	89	87	88	89	51
Labor Relations	464	395	488	563	355
Landlord/Tenant	215	161	182	250	63
Malpractice	271	212	276	275	197
Military	0	—	—	—	—
Mining	—	—	—	—	—
Negligence	856	791	794	812	380
Patent/Copyright	—	—	—	—	5
Public Interest	5	8	4	3	3
Real Estate	230	206	281	290	175
SSI Cases	18	28	82	51	22
Tax	34	8	—	—	—
Traffic	24	8	4	21	49
Trusts/Wills/Estates	171	167	187	227	144
Workers' Compensation	305	217	228	276	192
	5,573	4,585	4,982	5,511	3,468
Change from previous year	-8%	-8%	+9%	+11%	-37%

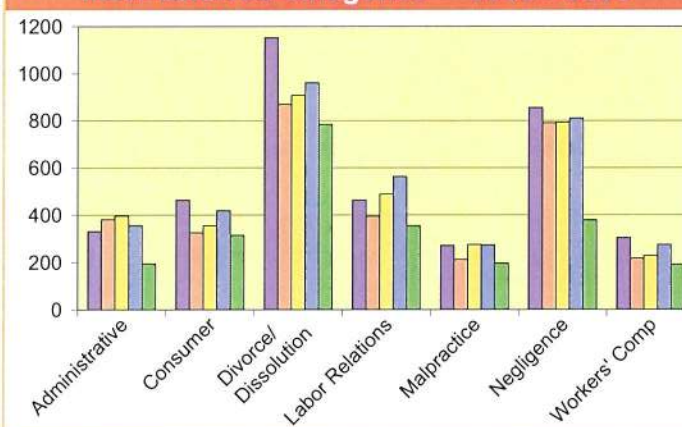
• Lawyer Referral Service

The Bar Association operates a statewide Lawyer Referral Service for the purpose of providing the general public with names of enrolled active members of the Alaska Bar Association who are in good standing and are willing and able to accept referral clients at a reasonable fee.

Each caller requesting services is given the names of three lawyers in his/her geographic area who are listed in the category requested. Each lawyer pays a \$4 surcharge to the Bar Association on each referral made, regardless of whether the caller actually contacts the lawyer as a result of the referral. The first half-hour conference may be charged at a maximum of \$50. Thereafter the fee is agreed upon by the attorney and the client.

At the end of 2006, 79 attorneys were enrolled in 33 practice categories in the Lawyer Referral Service, with total referrals of 3,468 — a 37 % decline from the 5,511 referrals in 2005.

Lawyer Referral Service
Most-Referred Categories — 2002 - 2006



“At the end of 2006, 79 attorneys were enrolled in 33 practice categories in the Lawyer Referral Service with total referrals of 3,468 — a 37% decline from 2005.”

“ In 2006, the Board of Governors allocated \$10,000 for grants to organizations delivering Law Related Education programs and materials. These annual grants will be targeted to programs that offer practical or direct LRE programs in urban and Bush areas. ”

• Pro Bono

The Alaska Bar Association's Pro Bono Director works in partnership with Alaska's legal service providers, the legal community, Pro Bono Services Committee of the Bar Association, and other organizations in Alaska to promote, educate, recognize and recruit attorneys and other professional services to assist low-income citizens. The program serves as an information clearinghouse for the membership regarding volunteer opportunities, resources, training, and other volunteer support services, as well as a contact for legal services providers.

In 2006, the Pro Bono Director, accompanied by the Bar President or a member of the Board of Governors traveled to eight communities as an outreach function and to increase volunteerism in smaller communities. The Director made presentations to 15 of the 22 substantive law sections, eight community groups, assisted in the establishment of a legal hotline for Spanish speaking citizens, spearheaded two community service projects in the areas of Tax and Elder Law, and presented at two swearing-in ceremonies of new attorneys to further establish the need for civil justice representation to Alaska's nearly 80,000 low-income citizens

• Committees of the Alaska Bar

Substantial work is accomplished through the extensive committee structure of the Alaska Bar Association.

Governance is structured around the Board of Governors and its three major committees, with administrative and day-to-day activity as the responsibility of the Executive Director and staff.

Committees of the Bar include:

- The Bar Rules Committees, which include the Committee of Law Examiners, Area Disciplinary Hearing Committees, the Mediation Panel, the Attorney Fee Dispute Review Committees, the Lawyers' Fund for Client Protection Committee, and Admission Waiver Programs.
- The Standing Committees, including Bar Polls and Elections, Continuing Legal Education, Ethics, Bar Historians, Law Related Education, Pro Bono Services, Lawyers' Assistance, Judicial Independence and Alaska Rules of Professional Conduct.
- The Substantive Law Sections, comprised of 22 peer groups practicing in specific areas of the law.

Members and chairs of these committees and sections are found in the appendices.

Membership Services

In addition to services associated with CLE and other activity areas, the Bar Association provides programs that assist members of the Bar in their practices. Complete information about these as well as other Bar programs and services can be found on the Bar's website at www.alaskabar.org.

Programs include:

- **ALPS (Attorney Liability Protection Society).** The Alaska Bar Association is a member of a multi-state, lawyer-owned insurance company. Membership in ALPS increases the availability of coverage to Alaska lawyers at rates that are predictable and which avoid dramatic fluctuations caused by policies and practices over which the lawyers have no control.

- **Computerized Legal Research.** The Bar Association sponsors a group program to provide members with access to LEXIS, a computer-assisted legal research service. Participating firms pay a \$25 monthly subscription fee. Additionally, all members' use of LEXIS aggregates to take advantage of volume discounts.
- **Loislaw.** Loislaw launched a subscription service for searchable, linked Alaska Bar CLE materials on the Loislaw website. These enhanced CLE materials are available from Loislaw for a fee of \$120 per year (\$10 per month) for Bar members.
- **Free Downloading of Alaska Bar CLE Materials.** All Alaska Bar CLE materials 1 calendar year old or older are available on the Bar website for free downloading. These materials are not searchable or linked.
- **Group Insurance.** The Bar Association sponsors a life insurance program for Bar members with States West Life Insurance Company. All members of the Association and employees of their firms are eligible. The Bar Association also sponsors a group medical program. Medical, dental, vision, life and disability coverage are available to firms ranging in size from sole practitioners to those with more than 100 employees. The plan is underwritten by Blue Cross of Washington and Alaska. The Bar Association also sponsors a disability insurance program offered by Unimerica Insurance Co.
- **The Alaska Bar Rag.** The official publication of the Bar Association is the *Alaska Bar Rag*, which is published quarterly. The editor is Thomas V. Van Flein.
- **E-News.** This weekly e-mail newsletter is sent to all members for whom the Bar has e-mail addresses. It contains announcements about Bar Association activities, court news, upcoming CLE programs, and other timely items of interest.

- **Unreported Court Opinions Database.** The Bar maintains a searchable database of unreported court opinions on the Bar website.
- **Section News.** This newsletter, containing notices of section meetings, CLE seminars, and information on new case law, is e-mailed monthly to 85% of substantive law section members. Members without e-mail are mailed a hard copy. Section meeting dates are noted on the website calendar, and the full newsletter is posted on the Bar website at www.alaskabar.org.
- **Ethics Opinions.** All Alaska Bar Ethics Opinions are published in the Alaska Bar Rag and online at the Bar's website www.alaskabar.org.
- **Public Copying Machines.** The Alaska Bar Association and the Alaska Court System are continuing a cooperative agreement to provide copying services in the Anchorage Law Library. The Alaska Bar Association has a service agreement with the Anchorage Bar Association for the purpose of providing copiers in the Anchorage Law Library for the use of all library patrons. The revenue is divided as follows: Alaska Court System 40%; Anchorage Bar Association 50%; Alaska Bar Association 10%.

ADJUNCT INVOLVEMENT

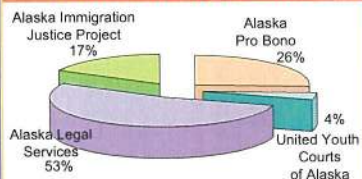
The Alaska Bar Association cooperates, partners and supports with its membership a number of programs related to the Alaska legal and justice system:

- **The Alaska Bar Foundation** was established in 1972 for the purpose of fostering and maintaining the honor and integrity of the profession, improving and facilitating the administration of justice, promoting the study of law and continuing legal education,

“The Alaska Bar Association cooperates, partners, and supports with its membership a number of programs related to the Alaska legal and justice systems.”

“The 2006 financial reports reflect total revenue of \$2,429,040 with total expenses of \$2,148,789. The net gain of \$280,251 showed improvement from the 2005 gain of \$235,673.”

IOLTA GRANTS 2006



administering loans and scholarships, and maintaining a law library and research center.

- **Alaska Law Review**, edited by law students at Duke University School of Law in Durham, NC, includes articles by practicing attorneys, law professors, and notes and comments by Duke law students. The Bar publishes the Review semi-annually for the education of the legal community. Bar members receive the publication as part of their Bar dues benefits.
- **Alaska Legal Services Corporation** provides legal assistance to persons lacking the financial resources to obtain private counsel.
- **Alaska Code Revision Commission**, established in 1976, reviews and recommends revisions to the laws of Alaska.
- **Alaska Commission on Judicial Conduct** includes three attorney members who have practiced law in Alaska for at least 10 years. They are appointed to the Commission by the Governor from recommendations submitted by the Board of Governors.
- **IOLTA** is an opt-out Interest on Lawyers Trust Accounts program for the placement of client trust money into interest-bearing accounts. The interest earned on each account is paid periodically to the Alaska Bar Foundation for its charitable and public service work.

In 2006, the IOLTA program earned \$146,822 from interest, and awarded grants totaling \$104,000.

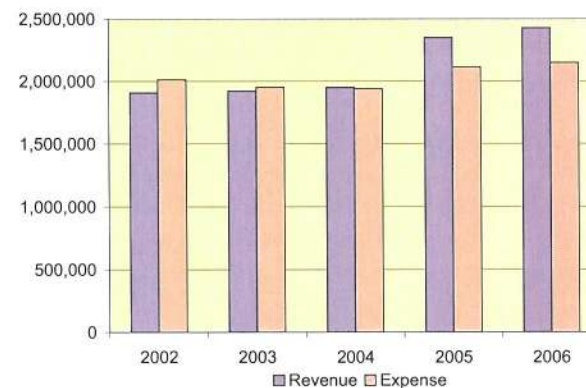
Foundation grants included: \$27,000 to the Alaska Pro Bono Program, \$4,000 to United Youth Courts of Alaska, \$55,000 to Alaska Legal Services Corp, and \$18,000 to the Alaska Immigration Justice Project.

- **Alaska Judicial Council** includes three attorneys who serve staggered, six-year terms. The Council's purpose is to recommend candidates who are seeking judicial office and to conduct studies for the improvement of the administration of justice in Alaska.
- **Other Relationships.** The Bar Association maintains relationships with other, non-Alaskan organizations, usually with representation by a member of the Board of Governors or Bar executive staff. These include the American Bar Association, National Conference of Bar Presidents, Ninth Circuit Judicial Conference, National Association of Bar Executives, Association for Continuing Legal Education (ACLEA), ORACLE (MCLE Regulators), National Organization of Bar Counsel, and Western States Bar Conference.

Financial Statements & Budget

The 2006 financial reports reflect total revenue of \$2,429,040 with total expenses of \$2,148,789. The net gain of \$280,251 showed improvement from the 2005 gain of \$235,673.

GENERAL FUND REVENUE & EXPENSES 2002-2006





Daniel, Hewko
& Sharp

Certified Public Accountants • A Professional Corporation

INDEPENDENT AUDITORS' REPORT

Board of Governors
Alaska Bar Association

We have audited the accompanying statements of financial position of the General Fund, the Lawyers' Fund for Client Protection and the Court System Library Fund of the Alaska Bar Association as of December 31, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the General Fund, the Lawyers' Fund for Client Protection and the Court System Library Fund of the Alaska Bar Association as of December 31, 2006, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Daniel, Hewko & Sharp

Anchorage, Alaska
February 23, 2007

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ALASKA BAR ASSOCIATION

STATEMENT OF ACTIVITIES For the Year Ended December 31, 2006

UNRESTRICTED NET ASSETS	General Fund	Lawyers' Fund for Client Protection	Court System Library Fund	Total All Funds
Revenue and Other Income				
Dues	\$ 1,702,211	\$ 28,623	\$ -	\$ 1,730,834
Admission fees	174,750	-	-	174,750
Continuing legal education	131,979	-	-	131,979
Lawyer referral fees	42,242	-	-	42,242
Annual meeting	123,905	-	-	123,905
Share from copiers	-	-	1,856	1,856
Rule 81	116,590	2,210	-	118,800
Other	38,909	158	-	39,067
Earnings on investments	105,092	44,047	190	149,329
Unrealized loss on investments	(6,638)	5,413	-	(1,225)
Total unrestricted revenue	2,429,040	80,451	2,046	2,511,537
Expenses				
Admissions	175,898	-	-	175,898
Board of Governors	42,364	-	-	42,364
Discipline	646,385	-	-	646,385
Fee arbitration	63,311	-	-	63,311
Lawyer referral	50,785	-	-	50,785
Continuing legal education	339,725	-	-	339,725
Administration	460,255	-	-	460,255
Pro Bono	79,737	-	-	79,737
Voluntary CLE	20,800	-	-	20,800
Annual meeting	122,746	-	-	122,746
Claims awarded	-	31,972	-	31,972
Rule 31 Trustee Counsel	-	39,700	-	39,700
Other	146,783	1,920	12	148,715
Total expenses	2,148,789	73,592	12	2,222,393
Increase in unrestricted net assets	280,251	6,859	2,034	289,144
Net assets, beginning of year	1,832,625	1,146,178	19,105	2,997,908
Net assets, end of year	\$ 2,112,876	\$ 1,153,037	\$ 21,139	\$ 3,287,052

The full Independent Auditor's Report and accompanying financial statements and notes are available for inspection at the Bar Association office.

APPENDIX A

Bar Bylaws and Rules Proposed, Added, Modified, or Repealed in 2006

Article IV, Section 8

September 2006: The Board amended Bylaws, Article IV, Section 8 to provide for electronic notice of Board meetings.

Article VIII, Section 3

October 2006: The Board amended Bylaws, Article VIII, Section 3 to change its parliamentary rules from "Robert's Rules of Order, Revised" to "Robert's Rules of Order, Newly Revised."

Bar Rules Proposed to the Supreme Court in 2006

Alaska Rules of Professional Conduct

September 2006: The Board proposed comprehensive amendments to the Alaska Rules of Professional Conduct based on the American Bar Association's Ethics 2000 amendments to the Model Rules of Professional Conduct.

Alaska Bar Rules

September 2006: The Board proposed an amendment to Bar Rule 61(d) correcting the name of the Child Support Enforcement Division to the Child Support Services Division.

September 2006: The Board proposed an amendment to Bar Rule 5, Section 1(b) adding the filing of the Bar Rule 64 affidavit to the requirement to file membership acceptance forms within 60 days of completion of certain admissions requirements.

September 2006: The Board proposed a new Bar Rule 43.2 permitting practice by a retired or inactive "Emeritus Attorney" for qualified legal services organizations.

September 2006: The Board proposed an amendment to Bar Rule 22(a) and an addition to Bar Rule 61(e) providing for administrative suspension of an attorney for failure to respond to an attorney grievance.

October 2006, filed January 2007: The Board proposed an amendment to Bar Rules 65 and 61 and a new Bar Rule 66 to provide for a program of mandatory continuing legal education and providing for administrative suspension for failure to comply with requirements.

October 2006, filed January 2007: The Board proposed a housekeeping amendment to Bar Rule 39(a) correcting the address of the Alaska Bar Association.

October 2006, filed January 2007: The Board proposed an amendment to Bar Rule 40(u) regarding citations to the Uniform Arbitration Act.

October 2006, filed January 2007: The Board proposed an amendment to Bar Rule 3, Section 6 changing the reapplication deadline for the July bar examination to June 15.

Bar Rules Adopted by the Supreme Court in 2006

Alaska Bar Rules

Effective October 15, 2006: The Supreme Court amended Bar Rule 43 to permit lawyers working exclusively for Alaska Legal Services Corporation on a part-time basis to practice law without admission to the Alaska Bar Association.

APPENDIX B

Bar Sections & Committees

Substantive Sections and Chairs, 2006

At the end of 2006 there were 22 active sections.

The Sections, Chairs, and Co-Chairs at the end of 2006 follow:

Administrative Law

Kathy Atkinson

Admiralty Law

Steve Shamburek & Mark Manning

Alaska Native Law

Natalie Landreth

Alternate Dispute Resolution

Glenn Cravez

Bankruptcy Law

Michelle Boutin & Gary Spraker

Business Law

Leonard Anderson & Colleen Libbey

Corporate Counsel

Marcia Davis & Carol Johnson

Elder Law

Kenneth Kirk & Una Gandbhir

Employment Law

Tom Daniel, Will Schendel & Rob Schmidt

Environmental/Natural Resources Law

Larry Albert, Larry Hartig & Russ Winner

Estate Planning/Probate Law

Susan B. Foley & Bill Pearson

Family Law

Lori Ann Colbert & SJ Lee

Health Law

Joan Wilson

Immigration Law

Kathy Atkinson

Intellectual Property Law

Jon Dawson

International Law

Andy Haas

Law & Community Health Forum

Sara Acharya & Stephanie Pawlowski

Municipal Law

John Hartle & Rhonda Fehlen-Westover

Real Estate Law

Joan Travostino

Tax Law

Charles Schuetze

Torts/Personal Injury Law

Jim Leik

Workers' Comp

Joe Kalamarides

CLE Committee Members

June 30, 2005 - June 30, 2006

Fairbanks

James DeWitt, Chair 6/2008

Gail Ballou 6/2008

Aimee Anderson Oravec 6/2007

Anchorage

Peter Ashman 6/2008

Nora Barlow 6/2006

Jason Bergevin 6/2007

David Carter 6/2007

Lea Filippi 6/2006

Bonnie Harris 6/2006

Barbara Jones 6/2008

Christine Thoreson 6/2008

Juneau

Justice Walter Carpeneti, 6/2006

Judicial Representative

Stanley Fields, 6/2007

Young Lawyer Rep

David Ingram 6/2006

Girdwood

Hollis Handler, 6/2006

Young Lawyer Rep

Bar Committees and Chairs

Alaska Bar Rag

Tom Van Flein

Alaska Rules of Professional Conduct

Jerome Juday

Bar Polls & Elections

Tim Middleton

Continuing Legal Education

James DeWitt

Ethics

Bob Mahoney

Historians

Leroy Barker

Judicial Independence

Susie Dosik

Law Examiners

Mary Gilson

Law Related Education

Barbara Jones

Lawyers Assistance

Vanessa White

Lawyers Fund for Client Protection

Paul Nangle

Pro Bono Service

Robert Stewart



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