

**REPORT OF THE EXECUTIVE DIRECTOR/
CHIEF OPERATING OFFICER**

The membership of the Virginia State Bar continued its steady growth in the fiscal year that ended June 30, 2004. Total "in good standing" membership increased to 36,654, an increase of 981 members, or 2.75% over the previous year. A new Supreme Court rule relating to special limited admission of corporate counsel who are bar members in good standing in another U.S. jurisdiction, but not admitted in Virginia, was implemented; and by June 30, 2004, 263 individuals had been issued certificates or registered under the rule.

	2003–2004	2002–2003
Active	24,472	24,197
Corporate Counsel Admittees	170	
Corporate Counsel Registrants	93	
Associate	9,561	9,255
Judicial	976	965
Retired/Disabled	1,382	1,256
	36,654	35,673

Officers, Bar Activities During 2003–2004, and New Executive Committee and Council Members

David P. Bobzien of Fairfax became president of the Virginia State Bar at its annual meeting on June 18, 2004. He was sworn in by Chief Justice Leroy R. Hassell Sr. of the Supreme Court of Virginia. Phillip V. Anderson, president-elect, was unopposed in the 2004 election for that office to serve during 2004–2005.

Jeannie P. Dahnk of Fredericksburg completed her year as president. Emphasis was placed throughout the year on further refining and streamlining the disciplinary process, and on resolving all of the older disciplinary complaints which constitute the backlog from prior fiscal years. At the end of the fiscal year on June 30, 2004, the bar's inventory of cases carried forward to the new fiscal year had declined significantly from prior years as a result of this effort. New resources were placed in the bar budget for two additional assistant bar counsel positions, one in the Richmond office and one in the Alexandria office, thus enhancing the bar's capacity to deal expeditiously with the complaints received each year.

Two new task forces were created during the 2003–2004 bar year. An American Bar Association report on the indigent criminal defense system in Virginia was released detailing a number of deficiencies in the system, and the General Assembly created an indigent defense commission to serve as a state agency responsible for monitoring and proposing improvements in the system. The bar appointed Alexander N. Levay Jr. of Loudoun County and Professor Robert E. Shepherd of the University of Richmond Law School as its representatives on the new commission, and a bar task force headed by Mr. Levay was appointed to conduct its own study of the indigent criminal defense system and make recommendations for improvements to the VSB Council for its consideration and transmission to the new commission. It was also determined that a task force should be created to examine the report and recommendations of an ABA Commission on Multijurisdictional Practice dealing with a number of aspects of temporary work done in one state by lawyers licensed in other places. That task force was appointed and is chaired by Marni E. Byrum of Arlington.

The Clients' Protection Fund Board and council agreed during the past year that the corpus of the fund needed strengthening in light of the increase in both the frequency and severity of claims being presented for payment from the fund by clients of dishonest lawyers. The authorized ceiling on the fund was increased from \$3 million to \$5 million, which is a long-term target, and \$500,000 was transferred into the fund from the bar's reserves, resulting in a balance as of June 30, 2004, of \$3,234,714. Additional funds will be transferred into the fund as they become available, and the Supreme Court has asked the bar to secure the services of an actuary to professionally document the likely needs of the fund in the foreseeable future. Council also voted to transfer an additional \$100,000 to the Lawyers Helping Lawyers program to assist that group in expanding its services to assist lawyers with depression and other forms of mental illness which may impact on their fitness to serve clients.

During the year, the Supreme Court of Virginia increased both its interaction with and oversight of the Virginia State Bar. For the first time, the Court reviewed the bar's appropriation request during the early part of the fiscal year, worked with the bar to get that request included in the governor's budget and approved by the General Assembly, and reviewed and approved the bar's proposed operating budget for 2004–2005. The Court has also requested the bar's assistance with several projects including a pro bono initiative designed to provide representation for clients in contested custody matters who cannot afford to pay a fee, increased practice-management assistance and continuing legal education for small-firm and solo practitioners in rural areas of the commonwealth, and expanded distribution of the bar's well-received *Senior Citizens Handbook* publication to hospitals and dialysis centers.

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The bar significantly increased contact on the part of its officers with members of the Virginia General Assembly, both in the fall and during the 2004 session of the assembly. Individual visits were made to a number of members of both the House of Delegates and the Senate of Virginia, and in April 2004 the bar conducted its first Law School for Legislators program under the direction of President Dahnk. The half-day program was attended by some fifty members of the assembly and featured presentations about the Virginia court system and the work of the Virginia State Bar.

It became apparent during the course of the year that funding for the legal aid programs in the commonwealth was being significantly impaired by a decline in receipts by the Legal Services Corporation of Virginia of funds from the voluntary Interest on Lawyers' Trust Accounts program in which many of our members participate. The reduction resulted from the low-interest-rate environment experienced throughout the past year, as well as a decline in lawyer trust account balances over the course of the year. Council debated whether to institute a dues check-off program that would allow members to send in voluntary contributions to legal aid at the same time they pay their bar dues, and a bill was actually introduced in the 2004 session of the General Assembly to require the bar to initiate such a program. Ultimately, the bill was carried over to the 2005 session, and the council authorized instead a campaign conducted by all of the statewide bar associations on behalf of the legal aid programs in Virginia. The campaign literature was mailed in mid-June 2004, and it is hoped that significant funds will be received during the ensuing several months to offset in part the IOLTA income reductions being experienced.

Phillip V. Anderson will serve ex officio on the Executive Committee next year as president-elect. Leisa A. Ciaffone was elected by the council as a new member of the 2004–2005 Executive Committee, replacing Mr. Anderson. William E. Bradshaw, Karen A. Gould, Howard M. Martin Jr., Stephen J. Telfeyan and Alda L. White were re-elected to one-year terms.

The following new members were elected to the VSB Council to fill unexpired terms ending June 30, 2006:

David B. Carson	23rd Circuit
Robert V. Ward	28th Circuit

The following new members were elected to the VSB Council for three-year terms beginning July 1, 2004:

John Y. Richardson Jr.	4th Judicial Circuit
Steven B. Novey	6th Judicial Circuit
Theophani K. Stamos	17th Judicial Circuit
John D. Whittington	31st Judicial Circuit

The following new member was elected to the VSB Council, filling a new position occasioned by growth in her circuit, for a three-year term beginning July 1, 2004:

Leslie W. Hoffman	19th Judicial Circuit
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The following incumbents were re-elected to the VSB Council for three-year terms beginning July 1, 2004:

Stephen G. Test	2nd Judicial Circuit
Robert C. Barclay IV	3rd Judicial Circuit
Richard E. Railey Jr.	5th Judicial Circuit
Curtis M. Hairston Jr.	13th Judicial Circuit
J. Page Williams	16th Judicial Circuit
Jennifer A. Brust	17th Judicial Circuit
Manuel A. Capsalis	17th Judicial Circuit
William L. Schmidt	19th Judicial Circuit
Arlene T. Starace	19th Judicial Circuit
Jon D. Huddleston	20th Judicial Circuit
David A. Furrow	22nd Judicial Circuit
John P. Fishwick Jr.	23rd Judicial Circuit
Gary M. Coates	24th Judicial Circuit
Edwin C. Stone	27th Judicial Circuit
Thomas R. Scott Jr.	29th Judicial Circuit

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Alda L. White of Stafford was reappointed to a second three-year term as a council member at large. Judith A. Rosenblatt of Virginia Beach and J. Nicholas Klein of Keller were appointed to three-year terms as council members at large. Manuel A. Capsalis of Arlington became chair of the Conference of Local Bar Associations, Savalle C. Sims of Washington, D.C., became president of the Young Lawyers Conference and William B. Smith became chair of the Senior Lawyers Conference. They will all serve as ex officio members of the council and executive committee during 2004–2005.

Bar Operations and Staff

There were no changes among the bar's senior staff or department heads during the year. This continuity, along with the addition of two new assistant bar counsel positions, enabled us to make significant progress in the processing of disciplinary complaints and the trial of an increased number of disciplinary matters before district committees, the disciplinary board and three-judge courts.

Continued progress was also made during the bar year on the bar's long-term goal of rewriting and integrating all of the bar's computer software programs. The accounting and membership modules of the system were largely completed during the year. Following termination of the bar's vendor for the project in February, management of the project has been taken over by the bar's IT Department, Bill Dickinson, and outside consultants have been retained for design work and programming. Remaining work on the membership module is ongoing, with work on the MCLE and professional regulation modules to begin in early 2005. Not only has the project been delayed, but it is likely to cost significantly more than initially thought. Nevertheless, the outcome should result in both an increase in the productivity and efficiency of our staff, as well as a greater capacity for interactivity between the bar on the one hand, and its members and the public on the other. Improvements in the bar's software systems, as well as upgraded hardware which has been acquired, should also make it much easier in the future to continue development of the bar's Web site.