Washington State Bar Association
Legislative Committee Meeting
Radisson Hotel Gateway Seattle-Tacoma Airport
November 6, 2009

Minutes taken by: Jeanne Cushman, substituting for Rick Bartholomew

ATTENDANCE
Members present: Kim Coghlan, Chair; J. Patrick Aylward; Watson Blair; Lisa Brodoff; Fred Corbit; Claudia Gowan; Ryan Harkins; Kenneth Henrikson; Peter Karademos; Martha Lantz; C. Dean Little; Merrilee MacLean; Mark Matthew Miller; Jon Ostlund; Mark Rising; Sally Savage; Suchi Sharma; Klaus Snyder; Brian Sommer; Connie Wan
Also present: N. Elizabeth McCaw and Karen Boxx, WSBA Real Property, Probate & Trust Section; Marc Barreca and Bill Hames, WSBA Creditor Debtor Rights Section; Brian Todd and Don Percival, WSBA Business Law Section; Jeanne Cushman, WSBA contract lobbyist; Steve Larsen, Gail Stone and Diane Froslie, WSBA
Members not in attendance: Rick Bartholomew, Vice-chair; John Cary; Janet Chung; Lise Ellner; Marilyn Endriss; Michael Guadagno; Taudd Hume; Ray Kahler; Don Law; Cynthia Morgan; Sean O'Donnell; D. Roger Reed; Geoffrey Revelle
Others in attendance for stakeholder portion: Jim Bamberger, Office of Civil Legal Aid; Kirsten Barron, Access to Justice Board; Bob Cooper, WA Assn of Criminal Defense Lawyers and WA Defender Association; Pam Crone, Legal Voice and Washington State Coalition Against Domestic Violence; Hon Mark Eide, District & Municipal Court Judges Assn; Hon Deborah Fleck, Superior Court Judges Assn; Sheila Gall, Assn of WA Cities; Hunter Goodman and Chris Johnson, Office of the Attorney General; Kimberly Gordon, WA Assn of Criminal Defense Lawyers; Betty Gould and Barbara Miner, WA Assn of County Clerks; Mellani McAleenan, Administrative Office of the Courts; Tom McBride, WA Assn of Prosecuting Attorneys; Nell McNamara, Equal Justice Coalition; Sal Mungia, WSBA President; Shankar Narayan, ACLU of WA; Bruce Neas, Columbia Legal Services; Andrew Prazuch, King County Bar Assn; Mel Sorensen, WA Defense Trial Lawyers; Melanie Stewart, District & Municipal Court Judges Assn; Sandi Swarthout, Equal Justice Coalition; Michael Temple, Association for Justice; Steve Toole, WSBA President-elect; Debbie Wilke, WA Assn of County Officials

INTRODUCTIONS

Committee members introduced themselves, and there was a welcome message from Kim Coghlan, Chair.

UNIFORM TRUST CODE PROPOSAL
Karen Boxx and Beth McCaw returned to the committee to answer questions remaining in regard to the UTC revisions proposal.

Karen Boxx handed out a document with additional changes to the draft.
Jeanne Cushman reported the Superior Court Clerks reviewed the filing provisions in the situs section and may propose some additional language to clarify filing procedures, but do not object to the filing requirement.
There was further discussion of the proposal. The taskforce circulated the proposal widely to stakeholders, as did the legislative office.

Pete Karademous moved, and Pat Aylward seconded a motion to recommend sponsorship of the proposal to the BOG. The motion passed with 19 yes, 0 no, and 0 abstentions.

REVISIONS TO RCW 6.15.010 & 6.15.020
Beth McCaw was present as the proponent of the proposal and respond to remaining questions from the committee.
This proposal was adopted at the previous legislative committee meeting, this discussion was for clarification.
There was discussion for clarification of the sections relating to §529 and §530 education accounts, health savings accounts, and IRAs being expanded to include IRA annuities to bring the state law into conformance with federal law.
It was reported that the creditor/debtor section concurs with the proposal.
Merrilee MacLean offered to submit the proposal to her group of bankruptcy trustees for comment.

LLC REVISIONS
Brian Todd and Don Percival presented the proposal.
This proposal is submitted in response to the *Chadwick Farms* case, to clarify the law of LLC liability, and the meaning of certificates of cancellation. The proposal also corrects an error from the Secretary of State statute regarding "dissolution" vs. "termination." The Secretary of State office concurs with the proposal to correct the statute.
Approval was urged by members of the committee because this is an urgent problem.
Pat Aylward moved, and Dean Little seconded a motion to recommend this proposal to the BOG for sponsorship. 19 yes, 0 no, 0 abstentions. The motion passed.

PROPOSED CHANGES TO RECEIVERSHIP STATUTES
Marc Barreca presented the proposal to amend Chapter 7.60 RCW.
Revisions needed to clarify the statute as enacted 5 years ago.
The proposal was discussed.
Merrilee MacLean reported she supports the proposal as a former bankruptcy trustee and the bankruptcy trustees she checked with concurred.
Pete Karademous moved, and Jon Ostlund seconded a motion to recommend sponsorship to the BOG. The motion passed with 20 yes, 0 no, 0 abstentions.

PROPOSED EXEMPTION OF CERTAIN PROPERTY AND ANNUITIES FROM CREDITORS
Bill Hames presented the proposal.

There was discussion about the process by which the Creditor/Debtor Section developed the proposal and the vote by the executive committee.
Two documents were distributed: A revised draft of the proposed changes, and comments on the proposal.
A lengthy discussion ensued.
The question of whether the proposal would apply to domestic partners was raised. The current bankruptcy laws do not apply to domestic partners, and neither would this proposed amendment.
The $200 limit on cash in the current law is considered to be the most pressing issue for amendment, as this is considered to be insufficient.
Mark Miller moved, and Merrilee MacLean seconded a motion to table. The motion required a 2/3 vote to pass. The motion failed, 5 yes, 14 no, 1 abstention.
Jon Ostlund moved and Fred Corbit seconded a motion to recommend the proposal to the BOG for sponsorship with §(1) exempting wedding rings deleted, the remaining sections renumbered, and with conformance of § (5), which will be renumbered as § (4), with the same amendment that is included in the RPPT proposal adopted with amendments to RCW 6.15.
A motion to amend the motion to adopt the proposal was made by Pete Karademous and seconded, such that § (1) of the proposed amendments to RCW 6.15.050 be changed from $2,500 to $5,000. The motion to amend passed 10 yes, 8 no, 1 abstention.
A second motion to amend the main motion was made by Pete Karademous and seconded by Klaus Snyder such that §(4)(a) be amended to change "twenty thousand dollars for the community", to "fifteen thousand dollars for the community." The motion failed with 5 yes, 14 no, 0 abstention.
The vote on the main motion, as amended, passed 14 yes, 2 no, 3 abstentions.

The meeting was adjourned.

Respectfully submitted by Jeanne Cushman.