

WASHINGTON STATE BAR ASSOCIATION
Creditor-Debtor Section
Executive Committee

Minutes re: Meeting of Executive Committee on September 16, 2016 @ 3:00pm

Meeting location: WSBA Offices, 1325 4th Ave., 6th Floor, Seattle, WA 98101

In attendance: Bruce Mederios (EC), Brett Wittner (EC), Bill Malaier (EC--Recorder), Metiner Kimel (EC), Jim Hurley (EC--Past Chair), Tom Linde (EC--Chair), Joe Terrenzio (WSBA liaison), Todd Tracy (EC), Kevin O'Rourke (EC—Chair Elect), Christy Tobin-Presser (EC), Megan Rue (EC);

By telephone: Alex Kleinberg (EC) Mark Northrup (EC), Thomas Neeleman (EC), Kathryn McKinley (EC)

1. Introduction and update; Jim Hurley
2. Welcome to new members; Tom Linde and Jim Hurley;
3. Passing of gavel; Jim Hurley vacated the seat of Chair, and Tom Linde assumed the seat of Chair, effective October 1, 2016;
4. Approval of minutes of the 6/10/16 meeting of EC; Motion to approve by Bruce Mederios; seconded by Bill Malaier; oral vote to approve said minutes passed unanimously;
5. Receivership Statute update; Christy Tobin-Presser, as a member of the Receivership Task Force, reported that the Task Force may not be ready to formally proposed legislative changes to Washington's existing receivership statutes; the primary issue being considered and debated by Task Force members, and which is the subject of the majority of public comment received to date by the Task Force, is the proposed vesting of custodial receivers with the power to sell property free and clear of liens and the impact of same upon rights of redemption and deficiency liabilities of guarantors.
6. UFTA Amendment Presentation; Section members Bruce Borrus and Merrilee Maclean presented a detailed analysis of proposed changes to the Uniform Fraudulent Transfers Act that are currently being considered for adoption by the Washington legislature and which is entitled the Uniform Voidable Transaction Act (the "UVTA") . Bruce circulated a memorandum summarizing the proposed changes. Both Bruce and Merrilee articulated two primary concerns with the new statutory proposals: (1) the proposed UVTA does not include a definition of reasonably equivalent value; and (2) the proposed UVTA does not provide a good faith defense to transfers made to insiders and third party beneficiaries of a debtor. After discussion and consideration, the EC determined that rather than expressly including insiders and third party beneficiaries of transfers, the statute should simply provide that value given by any good faith transferee, whether or not to the debtor, should be articulated in the statute as a defense. Christy

Tobin-Presser moved to adopt Bruce's and Merrilee's proposed changes for consideration by the WSBA lobbyist, and Tom Neeleman seconded the motion; the motion passed unanimously. Bruce and Merrilee agreed to circulate revised memoranda incorporating the revisions discussed by the EC;

7. CR 55 Amendment/comment to Supreme Court; Jim Hurley discussed a call he received from Jefferson Coulter of the Northwest Justice Project regarding NWJP's proposed amendments to CR55. The changes are extensive, and relate in large part to obtaining default judgments. Jim reported that there is no time frame for the EC to comment on the proposed revisions, and a subcommittee of EC members was formed to review the proposed changes in more detail. The subcommittee is as follows: Jason Wilson-Aguilar (volunteered in abstentia), Kathryn McKinley, and Metiner Kimel (Chair of subcommittee);

8. Young Lawyer Liason; the EC considered resumes from two lawyers interested in serving as Young Lawyer liason to the Section: Dane Wolfseth and Keeton Hill; after considering both candidates' resumes and debating the issue, the EC voted to articulate a preference for Dane Wolfseth to the WSBA, which in turn will make the final decision as to appointment of the liason.

9. Expense Reimbursement Policy; Joe Terrazino provided a detailed summary of recent changes to expense reimbursement policies applicable to all sections. These changes were proposed by the BOG, reviewed by the Sections Workgroup, and ultimately approved. They take effect on October 1, 2016 and include, among other changes, as follows:

--Section funds cannot be used for alcohol purchases at Section functions;

--Other than Section Chairs, EC members will no longer be eligible for reimbursement of travel/food expenses unless a meeting is held more than 50 miles (one way) from the EC member's home/office, or unless the meeting is scheduled to exceed more than 3 hours;

--New cap imposed on meal and lodging reimbursements;

10. Judge Paul Snyder Retirement; Jim Hurley reported that he was recently contacted by Terry Donahue and Mark Waldron soliciting a Section donation for Judge Snyder's retirement party to be held at the Fircrest Golf and Country Club on December 8, 2016 from 3:00pm-5:00pm. After debate by the EC, Christy Tobin-Presser moved to approve a donation of the lesser of \$500.00 or whatever the EC previously approved for a similar donation to Judge Overstreet's retirement party. Bruce Mederios seconded the motion; the motion passed over the sole objection of Brett Wittner;

11. WSBA webinar training; Tom Linde reported on new webinar training provided by the WSBA in connection with section-sponsored CLEs. Because webinars are more profitable for a sponsoring section than a live CLE, the EC determined that it makes sense to take advantage of this free training. Tom agreed to explore this training, and may recruit Gloria Nagler as well, as both chair the Section's CLE subcommittee.

12. WSBA Bylaws/Section Workgroup; Tom Linde reported that the Sections Policy Workgroup was terminated as of September 15, 2016 after completing its work. Included in changes in WSBA bylaws are a possible change in the name of the WSBA, as well as the addition of 3 permanent member seats to the BOG: 1 LLLT/LPO representative, and 2 public, non-lawyer representatives. Importantly, the BOG will not be adopted previously proposed rules which would have resulted in the pooling of all surplus funds amongst sections.

13. CLE Update/NWBI 2017; Tom Linde reported that he and Gloria Nagler will be co-chairing the bi-annual Liens CLE on December 9th, and that they are planning another CLE in the spring of 2017 (likely bankruptcy litigation) to join the bi-annual Judgments CLE in the late fall of 2017. These CLEs are profitable to the Section, so the concept of sponsoring 2 per year on a going forward basis makes good business sense. Bruce Mederios reported on the current status of NWBI planning, and that the planning committee is still looking for topics and speakers; it will be held in Vancouver, Washington at the Hilton.

14. Newsletter; Mark Northrup reported that the next edition of the newsletter will be published the week of September 19th, and that Chris Young of Cairncross and Hempelman will be handling the 9th Circuit caselaw updated on a going forward basis.

15. New Business--None;

16. Next Meeting--the next meeting of the EC was scheduled for December 2nd at 2:00pm.

Meeting adjourned at approximately 4:40pm.

Minutes prepared by Bill Malaier, Recorder;