

Report on the

**Commission on the Alabama State Bar  
State of Alabama  
Montgomery, Alabama**

**October 1, 2017 through September 30, 2019**

Filed: October 16, 2020



**Department of  
Examiners of Public Accounts**

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*Rachel Laurie Riddle, Chief Examiner*





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*Chief Examiner*

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Honorable Rachel Laurie Riddle  
Chief Examiner of Public Accounts  
Montgomery, Alabama 36130

Dear Madam:

An examination was conducted on the Commission of the Alabama State Bar, Montgomery, Alabama, for the period October 1, 2017 through September 30, 2019, by Examiners Gerald Dedon, Charles Bass, and Troy Eastman. I, Gerald Dedon, served as Examiner-in-Charge on the engagement, and under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I hereby swear to and submit this report to you on the results and findings of the examination.

Respectfully submitted,

Gerald Dedon  
Examiner of Public Accounts

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Department of  
**Examiners of Public Accounts**

**SUMMARY**

**Commission of the Alabama State Bar  
October 1, 2017 through September 30, 2019**

The Commission of the Alabama State Bar (the “Commission”) operates under the authority of the *Code of Alabama 1975*, Sections 34-3-1 through 34-3-108 and 40-12-49. By law, the Commission exercises license/regulatory authority over individuals engaged in the practice of law in Alabama.

This report presents the results of an examination of the Commission and a review of compliance by the Commission with applicable laws and regulations of the State of Alabama. This examination was conducted in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12. Our examination was performed for the purpose of determining whether the public officers, agents, and employees of the Commission properly and lawfully accounted for all money and other public assets or resources received, disbursed, or in the custody of the Commission. Our examination included determining compliance by the Commission with state laws and regulations that pertain to financial transactions; personnel; safeguarding of state-owned assets, property, and resources; information dissemination, processing, and retention; and official actions, rulemaking procedures, and meetings. As a part of our examination, we also reviewed internal control policies and procedures relating to the areas listed above. Our examination did not encompass managerial and operational matters, such as whether the Commission accomplished its mission or its regulatory, enforcement, investigative, or other oversight activities in an efficient, fair, timely, or legal manner.

Findings are numbered and reported by the examination period in which the finding originally occurred.

The following instances of noncompliance with State laws and regulations and other matters were found during the examination as shown on the Schedule of State Legal Compliance and Other Findings and they are summarized below.

**CURRENT FINDINGS**

- 2019-01 Relates to receipts not being deposited in a timely manner.
- 2019-02 Relates to the Commission not establishing the amount of the Annual License Tax by rule.
- 2019-03 Relates to the Commission not enrolling in the Federal Systematic Alien Verification for Entitlements (SAVE) and requiring applicants for licensure to demonstrate citizenship or lawful presence.

Commission members and the Executive Director were invited to an exit conference held on September 1, 2020 via teleconference. The following individuals attended: Jeanne Dowdle Rizzard, Commissioner; Phillip McCallum, Executive Director; Merinda Hall, Financial Manager; Roman Shaw, Legal Counsel; Justin Aday, Assistant Executive Director; Robert Gordon Melvin Jr, President-Elect; along with Robin Hutcheson and Gerald Dedon from the Department of Examiners of Public Accounts.





Department of  
**Examiners of Public Accounts**

**COMMENTS**

**Commission of the Alabama State Bar  
October 1, 2017 through September 30, 2019**

The Commission of the Alabama Bar (the “Commission”) operates under the authority of the *Code of Alabama 1975*, Sections 34-3-1 through 34-3-108 and 40-12-49. By law, the Commission exercises license/regulatory authority over businesses engaged in state practice of law.

The Commission administers examinations in February and July of each year to qualified applicants and recommends successful examinees to the Alabama Supreme Court (the “Court”) for admission to the practice of law. Subject to the approval of the Court, the Commission promulgates rules of professional conduct for attorneys and disciplines attorneys. The Commission’s regulatory actions are subject to review and approval by the Court. In addition to its functions as the State’s regulatory agency for the practice of law, the Commission administers the Alabama State Bar Association (the “Association”), a professional association for attorneys.

The Commission is comprised of seventy-five members plus a president, president-elect and immediate past president, each of whom must be a licensed attorney in good standing. Of those seventy-five members, sixty-six are elected by the licensed attorneys with law offices within the judicial circuit represented by the member. The remaining nine members are selected from the State at-large by the Board of Bar Commissioners. The members serve three-year terms beginning in July at the meeting following the member’s election or selection. The president, president-elect and immediate past president each serve a one-year term beginning in July at the meeting following the election.

The Secretary, who is elected by the Commission annually, serves as the Executive Director. The Executive Director supervises the day-to-day operations of the Commission. The Commission employs thirty-seven non-merit system State employees, including the Executive Director.

The Commission operates from a Special Revenue Fund in the State Treasury and maintains three bank accounts for the State Bar Association.

- **Special Revenue Fund 355 (State Treasury)** – Accounts for receipts and disbursements associated with the general operations of the Commission as a state licensing/regulatory agency. The Fund is subject to the state’s budgetary process and derives its revenues from attorney license taxes, pro hac vice (temporary licensing) fees, penalties, examination fees, and fees for petition for reinstatement of license. Unexpended balances at year-end remain in the fund for subsequent appropriation and expenditure.

- **Clearing Account** – Maintained at Valley National Bank. The clearing account receives online payments for the various fees of the Commission and the Association. The amounts are periodically transferred to the proper accounts.
- **Alabama State Bar Account** – Maintained at Regions Bank. Receipts include special association membership fees, continuing education noncompliance/late penalties, and various miscellaneous fees. The account is included in the Commission’s State budget as Federal and Local Funds. Unexpended balances at year end are retained. Excess funds in the account at year-end were invested in no-load equity index funds, fixed income investments, including U. S. government or agency bonds, corporate bonds and mortgage backed security and cash or cash equivalents including cash management accounts, U. S. Treasury bills or short term notes and certificates of deposits as follows:

	Balances at September 30 <sup>th</sup>	
	2018	2019
Cost	\$1,805,726.28	\$1,980,278.37
Market Value	\$2,215,774.26	\$2,435,835.83

- **Client Security Fund Account** – Maintained at Regions Bank. Accounts for receipts and disbursements associated with operation of the Commission’s Client Security Fund. Receipts consist of assessments levied on all attorneys (exempt upon age 65 and retired), ordered restitutions and recoupments for claims. The fund is not included in the Commission’s budget. Unexpended balances at year-end are retained. Excess funds in the account at year-end were invested in no-load equity index funds, fixed income investments, including U. S. government or agency bonds, corporate bonds and mortgage backed security and cash or cash equivalents including cash management accounts, U. S. Treasury bills or short term notes and certificates of deposits as follows:

	Balances at September 30 <sup>th</sup>	
	2018	2019
Cost	\$2,891,139.84	\$2,879,231.26
Market Value	\$3,486,414.19	\$3,532,531.19

The Commission’s appropriation information is presented in the CAFR within the Governmental Funds Supplementary Information section. The State Bar Checking Account, State Bar Client Security and State Bar Foundation are also included in the CAFR.

The Commission does not own personal property. The Commission leases its building and office furniture from the Alabama State Bar Foundation. The operations of the Foundation and the Commission are governed by the members of the Commission.

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*Schedule of State Legal  
Compliance and Other Findings*

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***Schedule of State Legal Compliance and Other Findings***  
***For the Examination Period Ended September 30, 2019***

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Ref. No.	Finding/Noncompliance
2019-01	<p><b><u>Finding:</u></b> The Commission did not deposit checks and money orders in a timely manner. Ten bank deposits consisting of seventy-five checks and money orders were reviewed for the examination period. Thirteen of the seventy-five checks and money orders were deposited 15-46 days after they were received.</p> <p>The Commission is responsible for establishing and maintaining a system of internal accounting controls to provide reasonable assurance that receipts are deposited in a timely manner. Failure to promptly deposit checks and money orders unnecessarily increases the risk of loss or misuse of state funds.</p> <p><b><u>Recommendation:</u></b> The Commission should deposit checks and money orders in a timely manner.</p>
2019-02	<p><b><u>Finding:</u></b> The Board of Bar Commissioners has not established a rule to determine the amount of the annual license tax.</p> <p>According to the <i>Code of Alabama 1975</i>, Section 40-12-49(a), “On and after May 15, 2012, the Board of Bar Commissioners shall <b>by rule</b> determine the amount of the annual license tax.”</p> <p><b><u>Recommendation:</u></b> The Board of Bar Commissioners should set the amount of the annual license tax by rule.</p>

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***Schedule of State Legal Compliance and Other Findings***  
***For the Examination Period Ended September 30, 2019***

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Ref. No.	Finding/Noncompliance
2019-03	<p><b><u>Finding:</u></b></p> <p>The Commission has not taken action to comply with the state law that requires its licensees to be either United States Citizens or lawfully present in the United States. The Commission does not ask applicants to sign a declaratory statement and provide proof of citizenship/legal alien status on new license or renewal forms. The Commission has not enrolled in the Federal Systematic Alien Verification for Entitlements (SAVE) program used to verify documentation presented by non-citizen applicants.</p> <p>The <i>Code of Alabama 1975</i>, Section 34-3-6 (d) of the State Bar licensing law states that, “Only a person who is a citizen of the United States or, if not a citizen of the United States, a person who is legally present in the United States with appropriate documentation from the federal government, may be licensed to practice law in this state.</p> <p>Additionally, Section 31-13-29(c)(1) of the Alabama Immigration statute requires that, “Any person entering into a public records transaction or attempting to enter into a public records transaction with this state or a political subdivision of this state shall be required to demonstrate his or her United States citizenship... or his or her lawful presence in the United States... An alien's lawful presence in the United States may be verified through the Systematic Alien Verification for Entitlements program operated by the Department of Homeland Security...” Section 31-13-29(g) lists documents to be used to verify citizenship. Section 31-13-3(10) provides that “a person shall be regarded as an alien unlawfully present in the United States only if the person's unlawful immigration status has been verified by the federal government pursuant to 8 U.S.C. § 1373(c).” and then lists documents to be used to verify lawful presence.</p> <p><b><u>Recommendation:</u></b></p> <p>The Commission should enroll in the Systemic Federal Systematic Alien Verification for Entitlements (SAVE) and require applicants to submit documentation to demonstrate United States citizenship or lawful presence in the United States.</p>

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***Schedule of Cash Receipts, Disbursements and Balances***  
***For the Period October 1, 2017 through September 30, 2019***

	<b>2018-2019</b>	<b>2017-2018</b>
<b><u>Receipts</u></b>		
Attorneys	\$ 4,557,307.50	\$ 4,517,912.50
Petitions for Reinstatement	4,500.00	6,750.00
Bar Examination Fees	692,800.00	637,875.00
Professional or Occupational Registration Fees	124,975.00	166,000.00
Administrative Fees	43,300.00	32,729.00
Bad Check Penalties	240.00	60.00
Reimbursement of Hearing Costs	12,515.50	22,671.65
Transfers In		90,000.00
Total	5,435,638.00	5,473,998.15
<b><u>Disbursements</u></b>		
Personnel Costs	2,864,668.74	2,740,259.23
Employee Benefits	959,114.65	933,808.42
Travel, In-State	119,980.87	103,586.86
Travel, Out-of-State	41,036.29	56,988.11
Rentals and Leases	891,720.31	894,592.43
Utilities and Communication	14,527.25	14,855.86
Professional Services	286,852.93	444,798.67
Supplies, Materials and Operating Expenses	128,106.00	131,052.00
Grants and Benefits	144,175.00	166,050.00
Total	5,450,182.04	5,485,991.58
(Deficiency) of Receipts Over Disbursements	(14,544.04)	(11,993.43)
Cash Balances at Beginning of Year	121,106.56	133,099.99
Cash Balances at End of Year	106,562.52	121,106.56
Reserve for Unpaid Obligations	(52,057.44)	(69,308.71)
Available Cash Balances at Year-End	\$ 54,505.08	\$ 51,797.85

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***Commission Members and Official***  
***October 1, 2017 through September 30, 2019***

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<b>Judicial Circuit</b>	<b>Place Number</b>	<b>Commission Members</b>		<b>Term Expires</b>
		Hon. Christina Diane Crow	President	2020
		Hon. Robert Gordon Melvin, Jr.	President-Elect	2020
		Hon. Samuel Wales Irby	Immediate Past President	2019
23rd	1	Tazewell T. Shepard	Vice-President	2020
10th	1	Hon. Augusta S. Dowd	Past President	2018
1st		Hon. Halron W. Turner	Member	2022
2nd		Hon. J. Levi Nichols	Member	2021
3rd		Hon. Elizabeth Couey Smithart	Member	2022
3rd		Hon. Courtney Reilly Potthoff	Member	2019
4th		Hon. Jana Russell Garner	Member	2021
5th		Hon. Larry Wade Morris	Member	2022
6th	1	Hon. Terri O. Thompkins	Member	2022
	2	Hon. Scott Bradley Holmes	Member	2021
	2	Hon. Robert Hayes Webb	Member	2018
7th		Hon. William H. Broome	Member	2022
8th		Hon. Emily L. Baggett	Member	2020



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***Commission Members and Official  
October 1, 2017 through September 30, 2019***

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<b>Judicial Circuit</b>	<b>Place Number</b>	<b>Commission Members</b>		<b>Term Expires</b>
9th		Hon. Dana Grimes	Member	2021
10th	1	Hon. James Michael Terrell	Member	2021
	1	Hon. Leslie R. Barineau	Member	2018
	2	Hon. John A. Smyth	Member	2022
	3	Hon. Barry A. Ragsdale	Member	2022
	4	Hon. Robert G. Methvin	Member	2020
	5	Hon. LaBella Stewart Alvis	Member	2021
	6	Hon. Mike Ermert	Member	2022
	7	Hon. Allison O. Skinner	Member	2020
	8	Hon. Brannon J. Buck	Member	2021
	9	Hon. Erik Stephen Heninger	Member	2021
	Bessemer Cutoff	Hon. Kenneth Moore	Member	2020
11th		Hon. Ralph E. Holt	Member	2020
12th		Hon. Carmen Francis Howell	Member	2021
12th		Hon. Thad Yancey, Jr.	Member	2018

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***Commission Members and Official  
October 1, 2017 through September 30, 2019***

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<b>Judicial Circuit</b>	<b>Place Number</b>	<b>Commission Members</b>		<b>Term Expires</b>
13th	1	Hon. Charles Zackery Moore	Member	2020
	2	Hon. Frederick George Helmsing, Jr.	Member	2021
	3	Hon. William Robert Lancaster	Member	2022
	4	Hon. Bryan Eugene Comer	Member	2022
	5	Hon. James Rebarchak	Member	2020
14th		Hon. Charles Clyde Tatum, Jr.	Member	2022
15th	1	Hon. George R. Parker	Member	2022
	2	Hon. Patrick Ladd Wheeler Sefton	Member	2021
	2	Hon. Les Pittman	Member	2018
	3	Hon. Joel Davidson Connally	Member	2022
	3	Hon. J. Flynn Mozingo	Member	2019
	4	Hon. C. Gibson Vance	Member	2022
	5	Hon. Jeffery C. Duffey	Member	2020
	6	Hon. David Martin	Member	2021
16th		Hon. Bradley Williams Cornett	Member	2021
16th		Hon. Donald R. Rhea	Member	2018

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***Commission Members and Official  
October 1, 2017 through September 30, 2019***

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<b>Judicial Circuit</b>	<b>Place Number</b>	<b>Commission Members</b>		<b>Term Expires</b>
17th		Hon. Taylor T. Perry, Jr.	Member	2020
18th	1	Hon. William Randall May	Member	2020
	2	Hon. Mark S. Boardman	Member	2021
	3	Hon. Anne Malatia Glass	Member	2020
19th		Hon. Robert L. Bowers, Jr.	Member	2020
20th		Hon. R. Cliff Mednheim	Member	2021
21st		Hon. John Kirkman Garrett	Member	2020
22nd		Hon. Manish H. Patel	Member	2020
23rd	2	Hon. John Allen Brinkley, Jr.	Member	2021
	3	Hon. Rebekah Keith McKinney	Member	2022
	4	Hon. Marshall Clay Martin	Member	2021
24th		Hon. Amanda Lea Water Porter	Member	2021
24th		Hon. Audrey Oswald Strawbridge	Member	2018
25th		Hon. Chrissy LaKay Riddle	Member	2022
25th		Hon. Jimmy Daryl Burt, Jr.	Member	2019
25th		Hon. Barry Scott Shipman	Member	2019

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***Commission Members and Official  
October 1, 2017 through September 30, 2019***

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<b>Judicial Circuit</b>	<b>Place Number</b>	<b>Commission Members</b>		<b>Term Expires</b>
26th		Hon. F. Patrick Loftin	Member	2022
27th		Hon. Clint L. Maze	Member	2021
28th	1	Hon. James Lynn Perry	Member	2022
	2	Hon. Joseph Langford Floyd	Member	2020
29th		Hon. Sarah Clark Bowers	Member	2021
29th		Hon. Steve D. Adcock	Member	2018
30th		Hon. Erskine R. Funderburg, Jr.	Member	2020
31st		Hon. H. Thomas Heflin, Jr.	Member	2020
32nd		Hon. Jason Paul Knight	Member	2022
32nd		Hon. Roy Williamson Williams, Jr.	Member	2019
33rd		Hon. Robert H. Brogden	Member	2020
34th		Hon. Jeffery Lowell Bowling	Member	2020
35th		Hon. Clinton Hassell Hyde	Member	2020
36th		Hon. Christy Williams Graham	Member	2020
37th		Hon. Andrew Dykes Stanley	Member	2022
38th		Hon. Deborah Lynn Dunsmore	Member	2021

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***Commission Members and Official***  
***October 1, 2017 through September 30, 2019***

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<b>Judicial Circuit</b>	<b>Place Number</b>	<b>Commission Members</b>		<b>Term Expires</b>
39th		Hon. Donald B. Mansell	Member	2021
40th		Hon. Gregory M. Varner	Member	2020
41st		Hon. Brett Ashley King	Member	2020
At-Large	1	Hon. Diandra S. Debrosse	Member	2021
	2	Hon. Raymond Lloyd Bell, Jr.	Member	2022
	2	Hon. R. Coper Shattuck	Member	2019
	3	Hon. LaTisha Rhodes Davis	Member	2020
	4	Hon. Charles Price, II	Member	2021
	5	Hon. Karen Laneaux	Member	2022
	6	Hon. Kira Fonteneau	Member	2020
	7	Hon. Jeanne Dowdle Rizzardi	Member	2021
	8	Hon. Monet M. Gaines	Member	2022
	9	Hon. John Thomas Stamps, III	Member	2020

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*Commission Members and Official*  
*October 1, 2017 through September 30, 2019*

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**Official**

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Mr. Phillip McCallum

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