

Minutes of the National Association of Forensic Economics
Board of Directors Meeting
July 25-26, 2009
Minneapolis, MN
(unapproved)

Voting members attending: Gary Albrecht, Bob Bohm, Jim Ciecka, Boyd Fjeldsted, Ed Foster, David Schap, and Marc Weinstein. Also attending: Kurt Krueger, Jim Rodgers, Steve Shapiro, Gary Skoog.

President Foster began the meeting at 8:00 a.m. and welcomed everyone.

Rodgers presented the minutes of the Winter Board meeting of January 3, 2009 and the electronic board meeting concluding April 30, 2009. It was moved and seconded (Bohm, Weinstein) that *the Board approves the minutes of the Board of Directors meeting of January 3, 2009, and (with corrections to the names of Marc Weinstein and Roger Kaufman) the minutes of the Board of Directors electronic meeting concluding April 30, 2009.* The motion passed 7 – yes, 0 – no, 0 – abstain.

Rodgers presented the financial statements for the period up through May 31, 2009. He noted that NAFE had a cash balance on 5/31/2009 of \$218,290.04, with a net loss in the six-month period ending 5/31/2009 of \$14,996.52. Rodgers is investigating the loss, which stems from a smaller amount of revenue for dues and subscriptions, compared to the same six-month period a year ago, at the same time that the number of members has remained virtually unchanged. It was moved and seconded (Schap; Albrecht) that *the Board accepts (with corrections to the income and expense table heading and deletion of three blank items) the financial statements ending 5/31/2009 as presented.* The motion passed 7 – yes, 0 – no, 0 – abstain.

Rodgers presented a membership report. As of 6/30/2009, NAFE had a total of 655 memberships and subscriptions, composed of 585 memberships and 70 subscriptions, of which 62 were libraries.

Foster presented the plans for the upcoming ASSA meeting in Atlanta. He noted that Bill Pearson is chairing the committee planning the NAFE sessions at the ASSA meeting. Frank Adams was asked to serve on the planning committee as well, as the local events person, as well as Steve Shapiro, as co-editor of the JFE. There will be three sessions with three papers each, and one session with an invited attorney speaking about Daubert issues, plus a paper by Shapiro on the Georgia Pacific Standard and measuring reasonable royalties in patent infringement cases. One of the other papers will be by Scott Gross, who heads research on the cost of injury and disease in his position as Director of Research at the Center for Disease Control. There will be one session on Sunday, Jan. 3, and three sessions on Monday, Jan. 4. The NAFE Board will have a luncheon meeting on Jan. 3, and the general membership meeting and reception will be on Jan. 3 as well.

Bob Bohm reported that there will be one NAFE session at the Southern Economic Association (SEA) meetings in San Antonio on Nov. 22, at the Marriott San Antonio Rivercenter. The session will be on the implications of research in the family bargaining literature for the computation of the personal consumption deduction. Immediately after the end of the NAFE session, there will be an SEA plenary session lecture by Sam Peltzman entitled “Mortality and Inequality,” which should be of interest to forensic economists.

David Schap began by thanking Marc Weinstein for his help with the 2009 Eastern Economic Association (EEA) meeting Feb. 27-28, 2009, in New York City. The program included three paper sessions, a roundtable session led by Ed Foster on the SEAK conference, and a refreshments reception. About 30 people attended the NAFE sessions. For 2010, the meeting will be in Philadelphia, Feb. 26-28. One session and a reception will occur on Friday afternoon and early evening Feb. 26, and three more sessions are planned for Saturday, Feb. 27.

Jim Ciecka noted that NAFE sessions have not been scheduled at the Mid-West Economics Association meetings, with the major reason being the timing of the meeting (March 19-21). The EEA meeting occurs in late February and the AAEFE meeting occurs in late March or early April. Hence, Ciecka has decided to schedule one session on forensic economics at the Illinois Economic Association, which meets on the campus of the University of Illinois at Chicago, October 16-17, 2009. Registration is \$45, which includes a luncheon, and attendees have to obtain their own hotel room. Depending on participation, one or more forensic sessions may be planned for the following year.

Boyd Fjeldsted reported that about 40 people attended the recent WEAI meeting in Vancouver, June 30 and July 1, 2009. A decision was made to print the binders in Vancouver, which worked well. A copy of the papers was provided to Nancy Eldredge as a pdf file. For other future meetings, consideration should be given to having papers consolidated in a single pdf file and emailed to a printing firm in the host city for printing and assembling in a binder. The next WEAI meeting will be in Portland, Oregon, June 29-July 3, 2010. Marc Weinstein asked about whether there was a policy about providing papers in advance for the meeting where they are to be presented. There is no policy about such distribution but the opinion was that these papers should be sold to requesters after the conclusion of the specific meeting.

Jim Rodgers reported that the next NAFE Winter Meeting is being organized by Art Eubank, and it will be held in Aruba at the Aruba Marriott Resort and Stellaris Casino, Jan. 29-30, 2010. Two sessions are planned for each morning.

Bob Bohm reported that the 2009 NAFE International meeting was in Dubrovnik, Croatia, May 21-22, at the Dubrovnik Hilton Imperial Hotel. While plans are not totally resolved, the most likely venue for the 2010 meeting is Copenhagen in first week of June.

Ed Foster discussed the topic of whether the Board needed to be involved in picking the organizer for the NAFE Winter and International meetings. It was concluded that there was no need for such oversight, but there was a discussion about recognition of meetings by the NAFE Board. It was concluded that the fact that the meetings are announced in the NAFE newsletter and reported in our meeting minutes served as recognition enough that the meetings are NAFE meetings. It was moved and seconded (Schap, Bohm) that the Board recognize Jim Rodgers for initiating and organizing the NAFE Winter Meetings, 1999-2009. The motion passed 7 – yes, 0 – no, 0 – abstain. It was moved and seconded (Bohm, Schap) that the Board recognize Jack Ward for initiating and organizing the NAFE European Meetings, 2004-2007, Patrick Anderson for organizing these meetings in 2008, and Barry Ben-Zion for organizing these meetings in 2009. The motion passed 7 – yes, 0 – no, 0 – abstain.

Bob Bohm gave the report of the Nominating Committee. The Nominating Committee was composed of Bob Bohm (chair), Lane Hudgins, Roger Kaufman and Jack Ward. The committee recommended Steve Shapiro for President-Elect, Bill Pearson for At-Large Vice-President (to replace

Gary Albrecht), and Tom Roney for Southern Vice-President (to replace Bob Bohm). Steve Shapiro was asked to leave the room for the discussion of his nomination for President-Elect. It was moved and seconded (Weinstein, Cieccka) that the Board accept the recommendation of the Nominating Committee of Steve Shapiro as President-Elect. The motion passed 7 – yes, 0 – no, 0 – abstain. It was moved and seconded (Weinstein, Cieccka) that the Board accept the recommendation of the Nominating Committee of Bill Pearson for At-Large Vice President. The motion passed 7 – yes, 0 – no, 0 – abstain. It was moved and seconded (Schap, Fjeldsted) that the Board accept the recommendation of the Nominating Committee of Tom Roney for Southern Vice President. The motion passed 7 – yes, 0 – no, 0 – abstain.

Steve Shapiro began the report regarding the *Journal of Forensic Economics* (JFE). He noted that the new structure for the editors is working well.

Two new issues of the JFE have appeared in the past year. Efforts continue to increase the number of submissions, including reaching out to members of the American Risk and Insurance Association, which publishes the *Journal of Risk and Insurance*, and using the members of the JFE Board of Editors to more aggressively seek quality submissions. Jim Cieccka discussed the need to increase the visibility of the JFE among academics and law schools. Kurt Krueger presented a comprehensive report containing proposals for making the JFE an electronic journal, revamping the NAFE web site and substantially increasing the number of member services that are available electronically. (A summary of the cost of these proposals is attached.) After extensive discussion, the Board decided to approve implementing Krueger proposals 1, 2 and 3, and to defer action on proposals 4 and 5 until a later time. It was moved and seconded (Bohm, Albrecht) that In order to improve the quality and standing of the JFE, increase NAFE membership, improve cash flow and keep membership fees reasonable, the Board approves the proposals developed by Kurt Krueger to:

Add member and subscriber services web site support to its current Allen Press subscription and member management services;

Place the JFE (both current content and legacy content) in an academic online system; and

Design a new NAFE.net web site.

The motion passed 7 – yes, 0 – no, 0 – abstain.

It was further moved and seconded (Weinstein, Cieccka) that the Board of Directors recognize Kurt Krueger for his proposals to assist NAFE in modernizing its journal and web site. The motion passed 7 – yes, 0 – no, 0 – abstain.

Gary Albrecht gave a report regarding efforts to expose NAFE and the JFE to the members of the American Risk and Insurance Association (ARIA).

At the present time, no new members or submissions of papers to the JFE appear to have resulted from this effort but some results could still occur in the future. Albrecht also presented a draft letter that would go to economics department chairpersons about the JFE. To go with this letter, Albrecht also prepared an enclosure describing the JFE and where it is abstracted and indexed. The Board looked favorably upon the draft material and the proposed mailing, but chose to wait until the implementation of the approved Krueger proposals before proceeding with the department chairperson mailing. As part of the discussion, mention was made of using state case reporter series to develop a list of names of experts who are not currently NAFE members for purposes of targeting a mailing about NAFE and the JFE.

Foster and Rodgers led a discussion about the possibility of having the NAFE Summer Board meeting in combination with the WEAI meeting. The pros and cons of combining the meetings were discussed. It was noted that given the need to have a day's break in between the two meetings, putting the meetings together would not result in significant savings. Given the nearness of the 4th of July holiday, if the meetings were combined, having the board meeting prior to the WEAI meeting was preferred. It was concluded that Foster and Rodgers would confer and decide the venue for the Summer Board meeting. Foster and Rodgers conferred at the Saturday evening dinner and decided to hold the next Summer Board meeting in Chicago on July 24-25, 2010.

Foster reported on the request he has received to edit a handbook on forensic economics from Oxford University Press. The papers are expected to be partly original new research and partly state of the art survey papers. The concern expressed by the JFE editors was that the research papers that are written for the volume would bleed off papers that would otherwise go to the JFE. But Ed Foster made the point that if he turned down the editor offer, Oxford Press would ask someone else.

Rodgers discussed the requirements of the new form 990 tax return for non-profit corporate tax return. The new requirements emphasize disclosure and transparency. The Board should receive a copy of the form 990 to review prior to its filling with the IRS each year. In addition, the form 990 filed with the IRS will be posted to the NAFE web site. Further, the financial statements will be made available as part of the minutes of the Board of Directors meeting, and these statements will be posted with the meeting minutes on the NAFE web site. Rodgers also discussed the need for a conflict of interest policy. It was moved and seconded (Schap, Fjeldsted) that the Board adopts the following conflict of interest policy:

“Officers and Board members should avoid conflicts of interest. If such a conflict should arise, its nature must be disclosed and the person involved must withdraw from deliberations and voting related to the conflict. Actions related to the conflict should be reported in the minutes of the meeting.” The motion passed 7 – yes, 0 – no, 0 – abstain.

Jim Cieccka raised the question of how long it has been since Nancy Eldredge received a raise in pay. Rodgers answered that it has been at least three years. It was moved and seconded (Cieccka, Albrecht) that the Board approves a raise in pay of 10% for Nancy Eldredge, effective on the date of her next monthly pay check. The motion passed 7 – yes, 0 – no, 0 – abstain.

Respectfully submitted by

James D. Rodgers, NAFE Executive Director

August 4, 2009

NAFE Financials
Board of Directors Meeting
July 25-26, 2009

National Association Of Forensic Economics, Inc.
Income Statement
December 2006 to November 2007
December 2007 to November 2008
December 2008 to May 2009

	<u>12/06 - 11/07</u>	<u>12/07 - 11/08</u>	<u>12/08 - 5/09</u>
Income:			
Dues and Subscriptions	\$103,986.00	\$116,463.90	\$37,870.00
JFE submission fees	\$475.00	\$225.00	\$125.00
Fees-Papers, Articles, Bk Issues	1,143.00	1,378.75	625.00
Interest	9,186.25	5,101.65	1,662.18
Total Income:	\$114,790.25	\$123,169.30	\$40,282.18
Expenses:			
JFE-Publication	\$19,860.67	\$12,054.51	\$824.34
Conferences			
2009-EEA-New York	0.00	0.00	3,647.49
2009-ASSA-San Francisco	0.00	0.00	16,219.15
2007-MVEA-Kansas City	150.00	0.00	0.00
2008-ASSA-New Orleans	318.00	15,852.48	0.00
2007-WEA-Seattle	5,108.94	0.00	0.00
2007-EEA-New York City	2,947.79	0.00	0.00
2006-SEA-Charleston	1,493.75	0.00	0.00
2007-July Board-Asheville	10,829.96	0.00	0.00
2007-ASSA-Chicago	13,118.87	0.00	0.00
2009-ASSA-San Francisco	0.00	459.66	0.00
2008-Board-July-Calgary AB	0.00	15,056.05	0.00
2008-SEA Washington DC	0.00	918.41	0.00
2008-WEA Honolulu	0.00	5,831.30	0.00
2008-EEA Boston	0.00	5,602.92	0.00
Total Conferences:	33,967.31	43,720.82	19,866.64
Presidential Expenses	0.00	0.00	0.00
Committees	0.00	0.00	0.00
Database Management	15,926.22	15,494.47	12,371.78
Internet Hi-Speed Charges	541.83	604.16	303.49
Early Withdrawal Penalty	207.81	0.00	0.00
Release Time-Executive Director	1,800.00	0.00	(61.33)
Payroll Expenses	27,048.89	27,268.62	13,717.20
Operations:			
Equipment	0.00	370.99	761.07
Newsletter	1,772.87	1,518.74	1,031.03
Legal & Insurance	2,758.00	2,756.00	2,267.00
Supplies & Mailing	4,217.47	6,853.75	2,277.60
Bank Charges	237.60	126.85	200.61
Accounting	1,745.00	1,660.00	375.00
Telephone - Fax	1,123.38	1,603.33	826.25
Credit Card Machine	1,421.22	1,702.52	305.59
Miscellaneous & Subscriptions	629.41	1,830.38	212.43
Total Expenses:	\$113,257.68	\$117,565.14	\$55,278.70
Net Income:	\$1,532.57	\$5,604.16	(\$14,996.52)

Cash Reconciliation

	<u>11/30/2007</u>	<u>11/30/2008</u>	<u>5/31/2009</u>
Cash Reconciliation:			
Beginning Balances:	\$226,040.49	\$225,768.40	\$231,184.18
Add: Net change in Accounts Payable	(\$1,804.66)	(\$188.38)	\$2,102.38
Add: Net Income (Loss)	\$1,532.57	\$5,604.16	(\$14,996.52)
Ending Balances:	\$225,768.40	\$231,184.18	\$218,290.04

**Balance Sheet
As Of May 31st, 2009**

Assets:	
CD	\$ 114,503.52
Checking	36,750.38
Money Market	67,036.14
Travel Deposit	3,200.00
Total Assets:	\$ 221,490.04
Liabilities and Capital:	
Payroll Liabilities	\$ 690.24
Retained Earnings	235,796.32
Net Income (Loss)	(\$14,996.52)
Total Liabilities and Capital:	\$ 221,490.04



JFE Proposal Summary of Expenses

Number	Proposal	One-time Expenses	Annual Expense	Total
1	Member Services Website	\$2,000	\$1,000	\$3,000
2	Online JFE - Current Content	\$6,000	\$13,200	\$19,200
2	Online JFE - Legacy Content	\$10,000	\$0	\$10,000
3	NAFE.net Website	\$18,630	\$2,550	\$21,180
4	Internet Marketing	\$1,950	\$11,400	\$13,350
5	Direct Contact Marketing	\$15,000	\$0	\$15,000
		\$53,580	\$28,150	\$81,730

⇒ **Revenue From Efforts**

- ◆ New Members
- ◆ Retained Members
- ◆ New Libraries
- ◆ Additional Sold Articles

⇒ **Other Discussions**

- ◆ Drop JFE Submission Fees
- ◆ Offer Libraries Lifetime Memberships