

DENVER BAR ASSOCIATION

STATEMENT REGARDING CONFLICTING INTERESTS

Reason for Statement

The Denver Bar Association ("DBA") appreciates those members who volunteer to carry out the purposes of the DBA and values the diversity of viewpoints provided by its members. It also values the services of its employees. The DBA wants to assure that its members and employees are protected from conflicts of interest when they participate in the activities of the DBA. In keeping with that goal, the members of the DBA Board of Trustees and the chairs and officers of its various committees, as well as the DBA employees described in the next section of this Statement (collectively, the "Bar Leaders") must recognize that they each occupy a fiduciary position that carries with it duties of care and loyalty to the DBA. They must refrain from using their positions with the DBA, or information that is proprietary to the DBA and is gained from those positions, for their personal benefit.

Coverage of Bar Leaders and DBA Employees

This Statement applies not only to the DBA members described in the preceding section but also to DBA employees who can influence the actions of DBA, including those who make purchasing decisions for the DBA, those in the DBA's management ranks, and those who possess information that is proprietary to the DBA. Those employees are included in the phrase "Bar Leaders" as it is used in this Statement.

Relationships in Which Conflicting Interests May Arise

Conflicting interests may arise in the relationships of Bar Leaders with any of the following persons (including individuals, businesses, organizations, and other associations):

- Persons supplying goods, or services to the DBA;
- Persons with whom the DBA may deal in connection with the acquisition or disposition of real estate or other property;
- Persons whose goals or intentions may differ from those of the DBA;
- Family members, friends, and affiliates of Bar Leaders; and
- Other Bar Leaders.

Interests in Which Conflicts May Occur

For purposes of this Statement a conflicting interest is defined as an interest, direct or indirect, that a Bar Leader has with any person described in the previous section. Such an interest might arise, for example, through:

- A Bar Leader's ownership of an equity interest in, or holding of a debt or other obligation of, in such person.
- Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) by any third party dealing with the DBA;
- Receiving remuneration for services with respect to individual transactions involving the DBA;
- Using the DBA's time, personnel, equipment, supplies, or good will other than for approved the DBA activities, programs, and purposes; or
- Receiving personal gifts or loans from third parties dealing with the DBA.

Interpretation of This Statement of Policy

The examples of conflicting interests identified in the previous section, and the examples of relationships in which such interests may arise, are not exhaustive. Conflicting interests may arise in other circumstances or through other relationships. Bar Leaders must recognize such circumstances and relationships by considering the general principles governing their fiduciary duties and by analogizing from the examples provided above.

The fact that one of the interests or relationships previously described exists does not mean necessarily that a conflicting interest exists; or that the conflicting interest, if it exists, is material enough to be of significance; or that, even if it is material, it is necessarily adverse to the interests of the DBA if it has been fully disclosed to the DBA as described below.

Disclosure Policy and Procedure

It is the policy of the DBA that the existence of each of the relationships and conflicting interests described in this Statement shall be disclosed in the manner provided below on a timely basis. It shall be the continuing responsibility of Bar Leaders to scrutinize their various interests and relationships for potential conflicts with the interests of the DBA and to make such disclosures.

Disclosure of a conflicting interest should be made as follows, and a transaction and other dealing with the persons involved in the conflicting interests should be undertaken only if all of the following are observed:

- The transaction or dealing is fully disclosed to the person or persons described below.
- The transaction has been approved in the manner provided for below.

Disclosures by a Bar Leader shall be made to the DBA's Executive Director or to the DBA President, the President-elect, or the Immediate Past President, as the Bar Leader determines, provided that disclosure shall not be effective under this Statement if made only to a person who is himself or herself involved in the conflicting interest. If the Executive Director, the President, the President-elect, and the Immediate Past President are all involved in the conflicting interest, the disclosure shall be made to a member of the Board of Trustees who is not involved in the conflicting interest.

The President, the President-elect, and the Immediate Past President shall determine whether a conflict exists and is material, and, if the conflicting interest is found to exist and to be material, whether the contemplated transaction or relationship should nevertheless be authorized as just, fair, and reasonable to the DBA. These officers shall make their decision by majority action, based upon the welfare of the DBA and the advancement of its purposes as a majority of them determines in its sole discretion. These officers may, however, refer any such matter to the Board of Trustees for its determination rather than theirs, and they shall refer any such matter to the Board of Trustees for that determination if any of them is involved in the conflicting interest.

The Board of Trustees shall make its decision regarding any conflicting interest that is before it whether upon direct disclosure to it by a Bar Leader as contemplated in the second preceding paragraph or upon referral from the President, the President-elect, and the Immediate Past President as contemplated in the immediately preceding paragraph based upon the best interests of the DBA and the advancement of its purposes as a majority of a quorum of the members of the Board of Trustees determines in its sole discretion.

No Bar Leader involved in a conflicting interest shall vote on any matter that is submitted to the vote of the DBA officers or Board of Trustees that is affected by the conflicting interest, but that Bar Leader may participate in the discussion of the matter to the extent permitted by those who may vote on the matter. Any Bar Leader who has information regarding a conflicting interest shall, at the request of any person who has a right to vote upon the matter, provide all relevant information concerning the matter that the person has available for disclosure, subject, however, to that person's superseding duties of confidentiality to clients or other persons.

Minutes of action of the Board of Trustees with respect to conflicting interest transactions shall contain reasonable descriptions of the nature of the conflicting interest and its resolution.

Dissemination

A copy of this Statement on Conflicting Interests shall be furnished to each Bar Leader.