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BOARD OF DIRECTORS MEETING

OPEN SESSION

January 28, 1995
9:10 a.m.

Washington Marriott Hotel
1221 22nd Street, N.W.
DuPont Ballroom
Washington, D.C. 20037

BOARD MEMBERS PRESENT:

Douglas S. Eakeley, Chairperson
Hulett "Bucky" Askew
John G. Brooks
F. Wm. McCalpin
Nancy Rogers
Maria Luisa Mercado
Ernestine P. Watlington
Edna Fairbanks-Williams
LaVeeda M. Battle
John T. Broderick, Jr.

STAFF PRESENT:

Martha Bergmark, Vice President
Patricia D. Batie, Secretary
David Richardson, Treasurer and Comptroller
Victor Fortuno, General Counsel
Edouard Quatrevaux, Inspector General
Suzanne Glasow
Renee Szybala
OTHER
Linda Perle, (CLASP)

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WASHINGTON, D.C. 20006
(202) 296-2929

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P R O C E E D I N G S

(9:10 a.m.)

1
2
3 CHAIR EAKELEY: Why don't we come to order and ask
4 for a report of the Ad Hoc Committee on Governance. Nancy?

5 CONSIDER AND ACT ON AD HOC COMMITTEE ON GOVERNANCE REPORT

6 MS. ROGERS: Our Committee has not had an
7 opportunity to meet.

8 CHAIR EAKELEY: And indeed, as we were exploring
9 before we formally went on the record, we're looking for a
10 way, absent the bylaw revisions, to have your committee meet,
11 since its members are far flung.

12 MR. McCALPIN: Doug, how many members are on that
13 committee?

14 CHAIR EAKELEY: As I recall, five.

15 MS. ROGERS: That's correct.

16 MR. McCALPIN: So if three of them are here, and
17 that could be Alex, the IG and one other, then, you could
18 bring the rest of them in by telephone under the present
19 bylaws.

20 MS. ROGERS: Well, I'll explore that, because I
21 will be in --

22 CHAIR EAKELEY: Great. Okay.

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1 MS. ROGERS: We'll see if we can set that up. The
2 other thing is that I solicit, on behalf of the Committee,
3 any suggestions that you have for changes in committee
4 structure or changes in the way that the Board interacts with
5 staff.

6 CHAIR EAKELEY: Well, I think that the people who
7 have done so much work on the bylaws revision are likely to
8 have some good suggestions on restructuring or the type of
9 restructuring that the bylaws contemplate, and you might want
10 to try and confer in advance with LaVeeda and Bill and the
11 other members of the committee.

12 MS. ROGERS: Thank you.

13 CHAIR EAKELEY: All right. Any questions of the
14 Chair of the Ad Hoc Governance Committee?

15 (No response.)

16 CHAIR EAKELEY: Then, we'll go to the report of the
17 Audit and Appropriations Committee.

18 CONSIDER AND ACT ON AUDIT AND APPROPRIATIONS COMMITTEE REPORT

19 MS. MERCADO: Mr. Chairman, yesterday I think all
20 of you got a copy of the proposed COB for 1995. If I could
21 have Mr. Richardson come up and just give us some just quick
22 highlights on the COB for '95.

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1 Because there are some differences from the
2 Temporary COB and the COB that you were sent in your packet
3 for this Board meeting. And Mr. Richardson, if you could
4 just highlight those key differences that also deal with some
5 of the differences in how the different divisions and
6 different duties and responsibilities are being shifted to
7 other offices as well.

8 MR. RICHARDSON: What I will be referring to is a
9 memo to Ms. Mercado dated January 25th, and I think it was
10 handed out to you yesterday afternoon.

11 What we have done is we have endeavored to reassess
12 the operations of the Corporation, and we are realigning some
13 responsibilities. Ms. Bergmark also mentioned to you
14 yesterday in her report some of these.

15 So they did have some financial consequences in the
16 shifting of staff and shifting of responsibilities. With the
17 bringing in of a communications and a government person,
18 we've decided to add two additional staff members to the two
19 that was already there.

20 So we're adding a Governmental Affairs assistant
21 and an Executive assistant to help with the support. So
22 we'll have six in that area to help with the communications

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1 to the Board, to the program and our endeavor on the Hill.

2 Mr. Lamb gave you an overview yesterday of what he
3 and his office will be doing, and it's quite exciting to see
4 the changes and everything that's going on there.

5 In addition, we've moved a receptionist area, which
6 was located on the 11th Floor, to the supervision of an
7 employee in the Executive Office, and that will also help
8 with the support in Executive Office area, again dealing with
9 the different functions going on there.

10 So there is a transfer of one employee from
11 Administration and one employee from the Office of PEAR.
12 Additionally, we've moved one of the people from Executive
13 Office into Administration to set up a travel desk.

14 Tryphenia, who many of you deal with already on
15 your travel, will be moving from the Executive Office into
16 Administration to continue working with those endeavors, and
17 then another young lady from PEAR will be coordinating those
18 efforts. So there will be two people starting with the
19 travel desk there.

20 CHAIR EAKELEY: David, just to clarify one thing,
21 this says, "adding two staff positions," but, in fact, we
22 have the same number of people doing these functions. It's

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1 just that there is now created something called a travel
2 desk; is that right?

3 MR. RICHARDSON: That's correct.

4 MS. MERCADO: And Mr. Chairman, just to reiterate
5 to all the Board, all these different people and the finances
6 for this we currently have and we've currently approved in
7 the Temporary COB. It's just that they were in a different
8 line item.

9 So there has just been a shifting in trying to
10 streamline and be more effective in the carrying out of our
11 management. So it isn't that it's new positions in the sense
12 of --

13 CHAIR EAKELEY: Right. That was my understanding,
14 but I just wanted to make that clear. The other question
15 that arises from the cover memo is do we need to file a
16 notice of reprogramming for any of these, obviously,
17 efficiency-enhancing moves?

18 MR. RICHARDSON: There is some reprogramming
19 requirements, and we are exploring those. The changes that
20 were effected -- for instance, I was just getting to the
21 Office of Information Technology.

22 The budget doesn't take effect until March 1st and

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1 the salaries and the transfers of the employees, so that we
2 have reprogramming opportunity there.

3 CHAIR EAKELEY: So we're within time to deal with
4 the reprogramming aspects of this?

5 MR. RICHARDSON: That is correct, sir.

6 CHAIR EAKELEY: Okay.

7 MR. RICHARDSON: I won't go through all the changes
8 but highlight the significant ones. For instance, the
9 Comptroller-Administrative budget has been combined since
10 1989.

11 We're getting ready to hire for a Director of
12 Administration. So we've split those two budgets to set up a
13 Comptroller's Office budget with only the budget associated
14 with the finance end and the Administrative budget dealing
15 with the Administrative Services.

16 The Office of Human Resources will be moved and
17 will be subsumed also into the Office of Administration. As
18 I was just saying, we've set up an office with six members in
19 the Office of Information Technology.

20 Most all of those people currently that we're
21 showing in that budget are in the Corporation already. So
22 they're being transferred from other budgets.

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1 The budget that you approved, 12,449,000, we're
2 operating within that budget. We're not asking for any
3 additional money. We did have a 2 percent attrition factor
4 within this budget. We've satisfied 44,000 of that. There
5 is still 60 outstanding.

6 We have also separated 188,933, pulling it back
7 away from the PEAR group to continue the competition
8 initiative. So you'll see that also established. So
9 Management and Administration budget, even with the 188
10 that's transferred, is still within the 12,449.

11 I will mention also that we went through, and there
12 is a memo in your Board book that describes when we had a
13 preliminary allocation of grant funds made you aware that
14 there was some additional grants that were outstanding.

15 And indeed, on that Saturday, when we approved the
16 budget, Monday and Tuesday, when I got back in the office,
17 there was a number of grants that had been finalized. We've
18 made the adjustments.

19 When you look at the memo, they are listed in
20 column 5, and all those are just reducing the amount of
21 preliminary carryover to get it in line with what actually we
22 had at year-end with one exception where we did add the U.S.

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1 Court of Veterans Appeal money, which was finalized in
2 December, and that's a grant of an additional \$790,000.

3 MS. MERCADO: And Mr. Richardson, as far as the
4 carryover from FY '94 to FY '95, that actually was a whole
5 lot less than we had originally put in the Temporary
6 Operating Budget. I think it's a difference of about 267,000
7 difference.

8 MR. RICHARDSON: That's correct.

9 MS. MERCADO: I think those were about the greatest
10 changes from what you received originally in your packet. I
11 was trying to look in my notes and make sure that there
12 weren't any others.

13 MR. RICHARDSON: You might look at Attachment A of
14 the memo, and what this does is highlight the funds that are
15 available. It shows the interest in grant recoveries that
16 we're projecting, and then it also shows the fund balance
17 deficit reduction plan that we have in effect.

18 Currently, in the COB, we have an amount for
19 Management and Administration that is in the negative of
20 \$362,000. We've allocated 618,000 funds from last year's
21 budget.

22 We've, actually, lost one of the leases at 400

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1 Virginia Avenue. It was written to a government contractor
2 who lost his contract. So we've got to make up that \$75,000
3 in this budget.

4 We've got money set aside. We have apportionment
5 of the -- we've subtracted 745,000 of our Management and
6 Administration appropriations, set that aside for the lease
7 retirement, the lease loss retirement, and then we have other
8 funds with the 300.

9 So if everything that is planned is carried off at
10 this point, we would still have a small negative balance. I
11 don't believe that will happen. Last year we had a budget.
12 We had \$400,000 carryover.

13 Everything being planned out, something will change
14 here and there, and this \$10,000 that we're showing here
15 should not be a problem as far as making up during the year.
16 I think the interest is very conservative. We've got
17 250,000. We did receive 330 last year.

18 But we're looking at some ways of changing getting
19 the grants to the programs. So it may have an effect on the
20 interest, but again, I don't think that making the deficit
21 reduction plan, the two-year liquidation of that will be a
22 problem.

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1 MS. MERCADO: Does anyone have any additional
2 questions?

3 CHAIR EAKELEY: I just think it's a very nice job.
4 And it's well-presented, but it's also very nice to keep
5 coming back and having reports that we're within our budget.
6 That's so unusual for so many of us, I suppose, especially in
7 this town.

8 MS. MERCADO: Well, and the nice thing is that
9 we're getting that deficit down to where, hopefully, we won't
10 have any of that to deal with.

11 CONSIDER AND ACT ON PERMANENT FISCAL YEAR 1995

12 CONSOLIDATED OPERATING BUDGET

13 M O T I O N

14 MS. MERCADO: What I would like to do at this time,
15 Mr. Chairman, is to move for approval of the FY '95 Permanent
16 COB as presented, with the modifications that Mr. Richardson
17 just mentioned, which was the last memorandum you got
18 yesterday afternoon from us.

19 MS. ROGERS: Second.

20 CHAIR EAKELEY: Just to be clear, we had approved a
21 Temporary Consolidated Operating Budget, but now we are at a
22 point where we can take off the word "temporary" and approve

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1 the Consolidated Operating Budget as it has been adjusted and
2 presented by Mr. Richardson today. Is that correct?

3 MS. MERCADO: That is correct.

4 CHAIR EAKELEY: Are there any other questions?

5 (No response.)

6 CHAIR EAKELEY: All those in favor of the motion?

7 (A chorus of ayes.)

8 CHAIR EAKELEY: Opposed?

9 (No response.)

10 CHAIR EAKELEY: All right. Thank you very much.

11 MS. MERCADO: And while I have him here, I might as
12 well just go ahead and highlight -- unless you have any
13 particular questions, I think the memorandum dated January
14 23rd that we also gave you yesterday, which dealt with the
15 three-month period ending December 31, '94, of expenses of
16 the Temporary Consolidated Operating Budget, if any of you
17 have any questions in particular?

18 I think everything was pretty much on target. I
19 don't see anything in particular that is significant unless
20 there is something you wanted to highlight. This is just,
21 really, for your information. You don't need to take any
22 action on it.

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1 CHAIR EAKELEY: Any question about the three months
2 ending December 31, 1994?

3 (No response.)

4 CHAIR EAKELEY: All right.

5 MS. MERCADO: Thank you. And now, all of you
6 should have received the audit from the audit company of
7 Thompson, Cobb, Bazilio & Associates for our FY '94 on Legal
8 Services Corporation. The IG is here as well, and
9 Mr. Richardson, of course, if you wanted to go ahead and stay
10 here as well --

11 MS. FAIRBANKS-WILLIAMS: You're chewing your words.

12 MS. MERCADO: I'm sorry?

13 MS. FAIRBANKS-WILLIAMS: You're chewing your words.

14 MS. MERCADO: Yeah. I need to get closer to this
15 thing. Pretty much the audit --

16 CHAIR EAKELEY: Why don't we invite the Inspector
17 General to join us at the table.

18 MS. MERCADO: Yes. Oh, I'm sorry. I thought he
19 was coming up here. I didn't even look up to see whether he
20 was here. Mr. Quatrevaux, if you just want to highlight a
21 couple of points from the audit?

22 MR. QUATREVAUX: The audit report that you have is

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1 a corrected copy. There was a typographical error. A new
2 bound copy is being prepared and will be sent to you, and
3 you'll receive it shortly.

4 The audit firm issued an unqualified opinion as to
5 the accuracy of the financial statements prepared by
6 management.

7 They also prepared two letters, which appear at the
8 end of the package you have, separate reports on the internal
9 control structure at the Corporation, which is required by
10 the Government Auditing Standards, and in that regard, they
11 noted no matters involving the internal control structure
12 that they considered to be material weaknesses.

13 The last page is the Independent Auditor's Report
14 on Compliance with Laws, Regulations, Contracts and Grants.
15 Again, they found nothing that caused them to believe that
16 the Corporation had not complied in all material respects
17 with those provisions.

18 They are preparing a management letter on just one
19 point, and that will be issued to you separately from the
20 report. If it had been -- if that one item had been
21 considered material, it would have appeared in the report
22 itself, but it does not rise to that level. So it's just an

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1 information item for management, and you'll be receiving that
2 shortly.

3 CHAIR EAKELEY: Ed, this is a new contract with a
4 new auditing firm pursuant to a new procedure that your
5 office instituted, and I'm interested in your opinion on how
6 well it has gone and what the working relationship is between
7 your office and our independent auditors.

8 MR. QUATREVAUX: We're very pleased. Our cover
9 memo, transmittal memo, to you explains what work that we did
10 to check on their work, and we're quite satisfied.

11 CHAIR EAKELEY: Are there any other questions of
12 the Inspector General about the clean audit that we've just
13 received?

14 Will there be -- of course there will be, but just
15 some opportunity for some follow-up discussion on the one
16 management item that you mentioned that will be coming, but,
17 obviously, we should wait until we get it before we talk
18 about it.

19 MS. MERCADO: In fact, we should -- the audit
20 company did say that they were working with management to get
21 a management letter to us at a later time.

22 CHAIR EAKELEY: We've got some things scheduled on

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1 our March agenda --

2 MR. QUATREVAUX: It's not a major item. It just
3 deals -- it's an efficiency orientation. It relates to the
4 translation of data from one system to another system.

5 CHAIR EAKELEY: All right. Well, thank you very
6 much.

7 MS. MERCADO: Thank you. Again, we would just need
8 to bring it to the Board for you to accept it. It's not
9 necessarily a motion to approve or disapprove it.

10 CHAIR EAKELEY: Yeah. I think that's right.

11 MS. MERCADO: It's presented to you for your
12 information.

13 CHAIR EAKELEY: Right.

14 MS. MERCADO: And that's all we had in our report
15 other than some other matters we'll be working on as far as
16 Audit Financial Guide, which is hoped to be published for
17 comment the first week of March.

18 The Audit and Appropriations Committee will receive
19 those comments and work with them so that we can have
20 Government Auditing Standards and a new guide so that the
21 grantees, whose fiscal year ends in September, can now be
22 under those new auditing guides.

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1 CHAIR EAKELEY: Okay. Very good. All right. Any
2 other questions for Maria Luisa or her Committee?

3 (No response.)

4 CHAIR EAKELEY: All right. Next, the -- what
5 happened to Bucky?

6 MR. ASKEW: I had to go get my staff.

7 CHAIR EAKELEY: The report of the Provisions
8 Committee. Good morning Merceria.

9 MS. LUDGOOD: Good morning.

10 CONSIDER AND ACT ON PROVISION FOR THE
11 DELIVERY OF LEGAL SERVICES COMMITTEE REPORT

12 MR. ASKEW: Thank you, Mr. Chair. The Provisions
13 Committee met yesterday morning. Merceria weathered her
14 first Provisions Committee meeting in fine form.

15 We dealt with three issues, and I'd like to report
16 to you on all three. One of them requires action by the
17 Board.

18 The first was we had an agenda item to Consider and
19 Act on a Status Report on the Client Engagement Initiative.
20 If you'll remember, from the last meeting of the Client
21 Conference in November, there was to be a report produced
22 from that conference that would come to the Committee and

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1 then to the Board with a set of recommendations.

2 That report has been drafted by Leslie, but because
3 of James Head's other activities, he has not had a chance to
4 review and edit the report. So that has been pushed back to
5 our March meeting.

6 CHAIR EAKELEY: Might it be possible to circulate
7 to the Board the report after it has been approved, in
8 advance of the March meeting so that we can get a head start
9 on thinking about what comes up?

10 MS. LUDGOOD: We can do that.

11 MR. ASKEW: Yeah. In fact, I think we plan -- or
12 Merceria plans to circulate it to the people who attended the
13 Detroit --

14 CHAIR EAKELEY: Oh, great.

15 MR. ASKEW: -- conference and others and get their
16 comments before it comes to us rather than after we've seen
17 it. So, hopefully, by the time of the March meeting, you
18 will have seen it. Others will have seen it, and we can act
19 upon it at the March meeting.

20 The second item that we dealt with was a Proposed
21 Policy Statement on Private Attorney Involvement/Engagement.
22 Alex made a report to us about the status of that.

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1 Alex has felt very strongly about this matter and
2 has been quite engaged in thinking about it and working on
3 this proposed policy statement. I have copy of it here for
4 each Board member.

5 We're not going to act upon it today. This is
6 being circulated to you and will be circulated widely to
7 interested parties from the field, to the ABA, to others
8 between now and the March meeting.

9 The Delivery Working Group and the Regulations
10 Working Group combined together to submit to us a proposed
11 policy statement on PAI. From that, which was a very good
12 piece of work, very helpful, from that, Alex and the staff
13 worked to refine that.

14 What you see today is the product of Alex's work.
15 Alex spent a good bit of time explaining to us yesterday his
16 views on this and why the statement says what it does. John
17 Asher, from the Delivery Working Group, appeared and spoke in
18 support of this statement.

19 Our plan is to circulate this far and wide. Lynn
20 Sterman from SCLAID, the ABA SCLAID Committee, was there.
21 SCLAID is meeting in February in Miami. They are going to
22 have this on their agenda, take it up, submit comments back

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1 to us.

2 Our idea at this stage is at our March meeting to
3 have a full discussion of this, possibly in the nature of a
4 hearing of some kind, and ask anyone who would like to
5 comment, offer suggestions, to come to that meeting and
6 address it to our Committee.

7 So we hope to be able to act upon it, finalize it
8 at the March meeting and bring it to the Board for action at
9 the March Board meeting.

10 CHAIR EAKELEY: Bucky, you might just describe
11 briefly the different dimensions of the policy that are here.
12 We've heard fragments with respect to the 12 and a half
13 percent set-aside, and, obviously, Nancy and I in particular
14 were focusing on some of the other aspects of private
15 attorney involvement.

16 This, as I understand it, is not intended merely to
17 reach the regulatory reform issue that will be or is in the
18 pipeline with respect to what we know as the set-aside issue,
19 but rather, an attempt to define goals for an enhanced
20 working partnership between the private bar and the Legal
21 Services programs. Is that right?

22 MR. ASKEW: That's right. In fact, you probably

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1 just stated it. I may not need to restate it that way, but
2 the thought was that what we needed to have was a conceptual
3 statement of what we are attempting to accomplish here.

4 What is the value of private attorney involvement,
5 private attorney engagement? What is the Corporation's --
6 what are our goals in that regard? Then, hopefully, our
7 regulatory efforts and other efforts with programs will flow
8 from that, be consistent with that.

9 This is something that, probably, would have been
10 helpful to have had 15 years ago, as opposed to today, and it
11 purposely did not address things like 12 and a half percent,
12 those issues. That's up to Operations and Regulations and
13 should flow from this, as opposed to this addressing that.

14 CHAIR EAKELEY: And likewise, this is something
15 that will help us in considering performance criteria for
16 private attorney involvement and also, perhaps, an evaluation
17 process that can be used to survey the current relationships
18 and successes and not quite as successes in some of the
19 programs with an eye to helping programs do more and better
20 with this type of a partnership? Is that coming up somewhere
21 down the road operationally?

22 MR. ASKEW: Yes. John Tull had circulated to all

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1 the Board members the peer review criteria. Within those
2 criteria, you will find criterion on private attorney
3 involvement, the role of the private bar in the program, the
4 requirement that private lawyers and judges be interviewed
5 during the peer review process to check on the programs'
6 activities in that regard. So all of this will fit together
7 at some point.

8 MS. BATTLE: I guess, Bucky, one of the things from
9 the Operations and Regulations Committee point of view that
10 was of concern to us is that we have an opportunity to meet
11 with Provisions and be a part of the deliberations behind
12 this, since we'll be handling the regulatory end when we come
13 up to the point that we'll be dealing with the PAI regs.
14 Will you be meeting the March meeting at any time to discuss
15 this?

16 MR. ASKEW: No. Our Committee discussed and
17 decided that we will not be holding any interim meetings in
18 the foreseeable future. So our plan is to circulate this as
19 widely as possible and then to consider this at our next
20 meeting, as I said, in the nature of a hearing.

21 Hopefully, we can schedule it so that Operations
22 and Regulations Committee can participate with us that day,

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1 as opposed to meeting at the same time, but we're open to
2 suggestions in that regard.

3 CHAIR EAKELEY: This is almost something that would
4 be good to have in place before you get to the regulation, in
5 any event.

6 MS. BATTLE: Sure.

7 MR. ASKEW: Oh, absolutely.

8 CHAIR EAKELEY: Because it's a policies goal.
9 Bill.

10 MR. MCCALPIN: Let me say exactly on that point it
11 has been recognized from the very beginning that since the
12 policy will ultimately have to ripen into a modification of
13 1614 or at least a review of 1614, we have been concerned
14 that we be involved in this from the very beginning.

15 In fact, I have reviewed the transcript of our
16 December meeting, and there was a commitment made at that
17 time that this proposed policy would be brought to Operations
18 and Regulations at the same time it was brought to the
19 Provisions Committee.

20 I called the staff last week to inquire about that
21 and was told that it was on the Provisions agenda but not
22 ours. I think that we will consider this when we meet in

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1 February. We'll be taking a look at the policy then, not
2 that we, you know, feel that there is any turf battle.

3 But if we have to take this policy and round it
4 into a regulation, then it seems to me we have to have some
5 knowledge and input from the very beginning.

6 CHAIR EAKELEY: Okay. Well, that's -- okay.

7 MS. BATTLE: That was the concern that I was
8 expressing as well. Now, Bucky, will your meeting be -- so
9 you're what saying is that even if you meet before the next
10 Board meeting, it won't be to consider further this draft?
11 Is that --

12 MR. ASKEW: Well, we are going to meet before the
13 next Board meeting, but it will be in March. We're not going
14 to have a February meeting.

15 MS. BATTLE: Right. I understand that.

16 CHAIR EAKELEY: Why don't we plan on a joint -- the
17 statement that Bucky circulated is going to be circulated
18 widely now and will be considered by SCLAID in February and
19 by the Delivery Working Group or PICA or whatever the -- I
20 don't know.

21 MS. LUDGOOD: All of the above.

22 CHAIR EAKELEY: All of the above? The Regs Working

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1 Group, too? So we're going to get a lot of comment. We may
2 not have started off together, but let us make sure that when
3 all the comments come back they will come back for
4 consideration jointly by the Ops and Regs Committee and by
5 Provisions. Is that all right?

6 MR. ASKEW: Right.

7 MS. BATTLE: We may be able to put that together at
8 the time that we meet in March, if we can meet together.

9 MR. ASKEW: Yeah. What I would propose is that we
10 hold a joint meeting in March at the beginning of the day and
11 then maybe separate, and we'll go on and do the other things
12 we have to do, and thing you can go on and do what you have
13 to do.

14 Didn't we agree yesterday, Merceria, that you would
15 be the collector of comments on this process?

16 MS. LUDGOOD: Yes.

17 MR. ASKEW: As Merceria receives comments, I would
18 suggest that she, in advance of the March meeting, bundle
19 them up and send them out to everybody to see prior to the
20 meeting on both committees. So that, when we come to the
21 meeting, we will have seen any written comments that have
22 been received.

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1 We'll probably ask, if there is a substantial
2 amount of interest in this, which I expect, ask that people
3 give us some notice that they would like to speak at the
4 meeting so we can try ask schedule it as well as possible and
5 get everybody on the agenda.

6 CHAIR EAKELEY: If at all possible, I would like to
7 ask you and LaVeeda, actually, and Maria Luisa, we've got a
8 February 10 target date to have the outlines of our March
9 meeting together so that we can then draft an agenda and
10 circulate it to the Board.

11 If we could just block something out that you could
12 get to Pat and to me or that we could discuss in advance of
13 the 10th, perhaps sometime the week of the 6th, I think that
14 will help us coordinate on these things better.

15 (Technical difficulties)

16 MR. ASKEW: Okay. LaVeeda, we'll be in touch about
17 scheduling that joint meeting by that first week in February
18 and talk to Pat about how that's going to be handled.

19 CONSIDER AND ACT ON STATUS REPORT ON
20 LAW SCHOOL CLINICAL GRANT INITIATIVE

21 MR. ASKEW: The last issue that the Committee dealt
22 with, which does require Board action, is the Law School

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1 Clinical Grant Program. I'm going to pass around a
2 resolution that we adopted yesterday.

3 Let me give you just a little bit of background on
4 it before we get to the resolution. As you know, we funded
5 programs in 1994. The formal reporting time for those
6 programs is April, but we have done an informal survey of
7 those programs.

8 And the staff reported to us, Merceria and Janice
9 White reported to us yesterday that they've gotten very
10 positive response from the grantees in the law schools about
11 the grants that we made in '94.

12 The timing is such that we need to go ahead now
13 with the program for this year, and we can't wait until the
14 formal reporting period in April to begin the process.

15 The Office of Program Services has done a review
16 and has come to us with a recommendation that we use the
17 \$1.435 million this year for two areas of funding, the
18 clinical programs, as we have funded in the past and that we
19 funded in '94, and for summer fellowships of law students.

20 They are not recommending that we make grants this
21 year for sabbatical programs. We funded four sabbatical
22 programs this year, and they are in work at the current time,

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1 but the feeling of the staff was and based on the informal
2 survey that they did that they wanted to get as much of this
3 money out into field programs for client service as is
4 possible.

5 And the sabbatical program was a little bit removed
6 from that. These other two are more closely related to
7 client services. In fact, one of the really nice things
8 they've learned in their survey was that client services had
9 been increased in the programs as a result of these grants.

10 So they want to make sure -- the programs have
11 reported that they were able to serve more clients as a
12 result of these grants. So the recommendation and the
13 resolution is to that effect, that the staff be instructed to
14 go forward with the process of soliciting grants.

15 The schedule will be -- and let me mention that
16 there will be three priorities. Under these two general
17 topics of summer fellowships and clinical programs, there
18 will be special incentives, as they call it, one for rural
19 programs, two for programs with underserved or unserved
20 populations, and three, programs with low numbers of minority
21 staff.

22 They will receive higher ranking, as I understand

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1 it, through the peer review process, if programs come in with
2 applications that meet one of those three criteria.

3 The resolution is to instruct the staff to go
4 forward with the process. The staff would intend to publish
5 in the Federal Register the announcement of the availability
6 of these grants in late January.

7 Applications will go out to the field in February,
8 an early April deadline for the submission of proposals, a
9 peer review process as we did last year would occur in early
10 May and, hopefully, have mid-May announcement of grant
11 awards.

12 We raised the question, in addition, whether there
13 had been client involvement on the peer review team last
14 year. There hadn't been, and so the staff has agreed that
15 there would be a client or clients added to the peer review
16 process this year. So the whole thing should be concluded in
17 early to mid-May. That's the effect of this resolution.

18 M O T I O N

19 MR. ASKEW: With that, I would move the adoption of
20 the resolution so that the staff will be instructed to go
21 forward with the process.

22 MS. MERCADO: Second.

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1 CHAIR EAKELEY: Is there any question?

2 MR. BROOKS: Well, I'm concerned a little bit about
3 requesting the grant proposals at a point where we fear a
4 recision bill coming out of the Congress, and I just wonder
5 if there is any hedging that ought to be done in the request
6 for proposals that alert that there might be some less
7 funding than is presently in the appropriation so that nobody
8 is misled by an expectation that cannot be fulfilled.

9 That may be going further than we should, and
10 everybody knows that the recision is in the air, but I just
11 don't want us to get caught with commitments that we can't
12 fulfill.

13 CHAIR EAKELEY: But this is just a -- there are two
14 things. One is the more you try and anticipate a recision
15 that may be in the air, the easier it is for those who want
16 to pursue the recision to implement it.

17 Secondly, this is a request for proposals, really,
18 and there is not -- I mean, yes, implicit in that
19 solicitation is the representation that we have the means of
20 funding it, but we're not making a commitment to anyone to
21 make that funding available at this stage.

22 It seems to me that we might start going down a

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1 slippery slope if we change our method of operating in
2 anticipation of something that is always potentially in the
3 air and that was in the air last year at this time or a
4 little bit later.

5 MR. BROOKS: Yeah. I think the timing the probably
6 take carry of it anyway, inasmuch as we won't make any
7 commitment.

8 MS. FAIRBANKS-WILLIAMS: And we did discuss multi-
9 year funding and kind of slithered away from that, as you
10 want to say, on the slippery slope. We didn't plan --

11 MR. ASKEW: The two things we heard back from
12 grantees, actually, was that multi-year funding of these
13 programs would be much preferable. Of course, we can't do
14 that.

15 This might be the last year of these grants, in
16 fact. And secondly, that they would like earlier
17 notification, that it would have facilitated these projects
18 if we had the process move more quickly.

19 This year, we're able to move it up by about a
20 month. Last year, grants were decided upon in mid-June.
21 We've got that up a month earlier, which would be very
22 beneficial to the grantees, if we can do.

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1 But we will know, I would be certain, by mid-May
2 whether there will be a recision or not, and by people
3 applying to us for grants is no commitment on our part to
4 fund anybody for any amount of money to do anything until we
5 make that final decision and the President signs the grant.

6 So I think grantees will fully understand what
7 we're caught in and what may happen.

8 CHAIR EAKELEY: Any other questions?

9 (No response.)

10 CHAIR EAKELEY: All right. We have before us a
11 resolution. Do we need to read it for the record? I think
12 we all have it in front of us. Maybe we should just so that
13 the transcript is complete. I'll read it.

14 "Resolved: During February 1995, the LSC staff
15 should circulate requests for proposals to accredited law
16 schools and LSC-funded Legal Services programs for the 1995-
17 '96 Law School Civil Clinical Program grant competition.

18 "The congressionally appropriated \$1.435 million
19 should be competed for under two categories as follows:
20 (1) to fund law school clinics or Legal Services programs
21 which propose to utilize law students as LSC summer fellows
22 to serve in LSC-funded programs full-time for a specified

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1 period of time; and (2) to fund new and innovative approaches
2 to legal services delivery through law school clinical
3 programs, particularly those which have a mandatory or
4 voluntary pro bono program in place.

5 "Grant proposals will receive peer review in
6 accordance with LSC-established selection criteria. All
7 proposals must show collaboration between law school clinics
8 and Legal Services programs to meet the legal need of low
9 income persons. 1995-'96 law school clinical grant funds
10 will not be used to fund conferences or research projects."

11 Hearing no other questions, there has been a motion
12 seconded to adopt this resolution. All those in favor?

13 (A chorus of ayes.)

14 CHAIR EAKELEY: Opposed?

15 (No response.)

16 CHAIR EAKELEY: The ayes have it.

17 MS. ROGERS: Abstain, please. I abstain.

18 CHAIR EAKELEY: And one abstention. I'm sorry,
19 Nancy Rogers.

20 MR. ASKEW: To conclude that matter, I will tell
21 you that there will be an April 1995 report on the clinical
22 program operation this year, and that will be before our

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1 Committee and the Board at the May meeting of the Board to
2 see the results of this year's round of grants.

3 MR. McCALPIN: Mr. Chair, as a point of order, did
4 I understand there was a dissent?

5 CHAIR EAKELEY: No, abstention.

6 MR. McCALPIN: Oh, I'm sorry.

7 CHAIR EAKELEY: Ms. Rogers has been abstaining on
8 clinical programs because of her affiliation with a law
9 school.

10 MR. ASKEW: To conclude my report, let me refer you
11 to page 39 of the Board book, which is the agenda from our
12 last meeting. On that page, it shows what our schedule is
13 for March and May of our Committee.

14 We made an adjustment in that schedule as a result
15 of yesterday's meeting, and I'd like to report that to the
16 Board. In March, we will be considering -- it will be a very
17 busy meeting.

18 We will be considering Technical Assistance, Unmet
19 Needs, Compliance Oversight, Client Engagement, the Report on
20 Client Engagement, and we're adding the PAI/PAE Policy
21 Report.

22 As a result of that, we decided yesterday to move

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1 Elder Law and the Veterans Grant Initiative off to the May
2 meeting. So that will be added to our items for May rather
3 than in March.

4 There was no time connection to those two issues.
5 Most of our meeting or much of our meeting in March will be
6 devoted to the PAI/PAE Policy Statement. So we have a pretty
7 full agenda for our next two meetings.

8 We did decide, after discussion, that we would not
9 be holding any interim meetings in either February or April.
10 So at least through May we don't intend to hold any meetings
11 in-between Board meetings, but we probably will need a
12 lengthier meeting in March as a result of things that will be
13 before the Committee. That concludes my report.

14 CHAIR EAKELEY: All right. Thank you, Bucky. Any
15 questions of Bucky or the Provisions Committee?

16 (No response.)

17 CHAIR EAKELEY: All right. Thank you very much.
18 LaVeeda, Operations and Regulations.

19 CONSIDER AND ACT ON OPERATIONS AND REGULATIONS

20 COMMITTEE REPORT

21 MS. BATTLE: Mr. Chairman, we do not have any
22 action items for you today. We, I know, had anticipated

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1 today being able to, potentially, bring before the Board the
2 bylaws that we initially looked at back in June of last year.

3 We looked at it in June, and it was then proposed
4 to the Board and deferred because there were some questions
5 about some of the items.

6 We went back and looked at the draft again, and
7 there were several comments made that helped the bylaws to
8 become more easy to read, concise, clear and granted us
9 greater organizational flexibility, which is one of the
10 things I think we're looking forward to being able to obtain
11 and as well brought the bylaws out of the dark ages into the
12 technology of today so that, if we need to meet by phone,
13 we'll be able to do that, based on what it is that we're
14 going to propose in our bylaws.

15 But for one particular provision, we would have
16 been able to present it to you today, and it is the one
17 provision that is never easy to read, on indemnification, in
18 the bylaws.

19 So we anticipate going back and looking at that
20 provision and clarifying some of the language in that and
21 making sure that the indemnification provision indemnifies as
22 we intend for it to, and we hope that by the March meeting

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1 that we will complete that task and have it to present to the
2 Board at that time.

3 We are really midway our meeting. We will be
4 considering comments that have been send to us as a result of
5 our initial publication in the Federal Register on 1608 and
6 1621 after this meeting is over with.

7 We have given birth to our first baby this month.
8 1607 became final effective January 18th of this month. We
9 had it published in the Federal Register, and we also had one
10 small correction that was published, and I think copies of
11 1607 should have gone to all of the Board members. So you
12 should have that.

13 That is the section that pertains to governing
14 bodies. So at least we've gotten that far. We're hoping
15 that the period of gestation is not as long for all of our
16 other regs as we go through this process, but we can't
17 anticipate exactly how much time it does take, and we take
18 all the time that we feel that it needs before we finish it.

19 We have several other regs in the hopper that we're
20 consider. However, we have decided to assure in the process
21 that we, for example, take up PAI during a time that we've
22 had a chance to review the policy.

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1 So the policy will come before we actually get into
2 the substance of PAI. We have for consideration 1604, which
3 deals with the outside practice of law; 1611, which deals
4 with eligibility; 1609, which deals with fee-generating
5 cases. We plan to take that up next month, I believe.

6 1610, which deals with use of nonLSC funds, and
7 1614 will come much later, which deals with private attorney
8 involvement, and the fiscal rules we plan to consider in
9 tandem with the Audit and Review Committee.

10 So we've got -- and the Sunshine Act will come
11 much, much later. We don't have a date as of yet on it. So
12 we've got several regs in the hopper, but we're midstream,
13 and we're working hard.

14 CHAIR EAKELEY: First, let me congratulate you on
15 1607. I sat through part of the Ops and Regs Committee
16 meeting yesterday and got a good sense of all of the hard and
17 quality hard work that went into the bylaw provisions.

18 This may be unfair, it's certainly a surprise, but
19 I was, perhaps, too dismissive of a question Nancy Rogers
20 raised at the beginning of the meeting today, which was can
21 we approve the bylaw revisions up to but not including
22 indemnification?

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1 Or is it worth discussing the revisions up to
2 indemnification, in part, because we have a little bit of
3 time this morning that we may not have at our March meeting?

4 And therefore, could we use that time to good
5 effect to advise the rest of the Board on what's contained in
6 the bylaw revisions?

7 MS. BATTLE: We discussed that in part because we
8 really had anticipated having the entire package all in one,
9 but we were concerned about trying to approve all of the
10 bylaws with the exception of that portion of it because then
11 you have to send just that portion up separately before the
12 entire bylaws could be adopted.

13 And to send indemnification up and to make changes
14 to it separately may send a message that's not really
15 appropriate, if we're in the process of looking at all of the
16 provisions in the bylaws and just really updating them all at
17 the same time.

18 CHAIR EAKELEY: Well, here is the one thing that
19 occurred to me overnight after that discussion, and I agreed
20 with the conclusion yesterday. Would it be possible to
21 approve part of the bylaws but not send them for -- I don't
22 think we will publish them, but we need not send them to the

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1 Federal Register.

2 They've been taken out of that process, but deal
3 with that and then deal with the indemnification by
4 notational vote circulating the text to all Board members
5 between meetings?

6 MR. McCALPIN: We have to reprogram these to the
7 Congress.

8 CHAIR EAKELEY: Yes, but can't we --

9 MR. McCALPIN: Within 15 days. Is that right?

10 MS. BATTLE: Suzanne, could you come up or Vic and
11 help guide us through this discussion? Because I want to
12 make sure that we handle this appropriately. So we need your
13 guidance on that.

14 MS. GLASOW: The reprogramming must be done prior
15 to publication. So if this Board wanted to adopt part of the
16 bylaws and adopt another section later but hold up the part
17 that they had adopted so that it was all promulgated at the
18 same time, that's possible. You would only, then, have to
19 send one reprogramming letter.

20 MR. McCALPIN: I'm not sure I understand what you
21 said. If we adopted part now, then don't we have to
22 reprogram that part within 15 days?

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1 MS. GLASOW: Within 15 days of publication. If you
2 held up the part that you adopted --

3 MR. MCCALPIN: We don't have to publish the bylaws
4 at all.

5 MR. FORTUNO: The focus is not on publication. I
6 think the focus should be on effectiveness, the effective
7 date. If what you do is you act on them but don't give them
8 an effective date, then that's not a problem.

9 What you need to do is you need to give Congress at
10 least 15 days' notice before their effective date so that so
11 long as Congress gets those 15 days before they become
12 effective, you're okay.

13 So I guess, in answer to your question, you can act
14 on them today without giving them an effective date. You're
15 still operating under the old bylaws.

16 CHAIR EAKELEY: I think everyone is persuaded that
17 I'm wrong. I'm persuaded I'm wrong. I think that we should
18 have Ops and Regs meet after this meeting. I think that the
19 Board should have the benefit of the new draft circulated
20 with time to reflect on it.

21 MR. MCCALPIN: It's on the table.

22 CHAIR EAKELEY: It's on the table, but that only

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1 got on the table this morning, and we haven't had a chance to
2 reflect on it. So I think that putting it in due course, we
3 will get to it in due course.

4 I was just so impressed with not only the work but
5 the obvious improvements the work has yielded that I got a
6 little ahead of things.

7 MS. BATTLE: I was about to say one of the things,
8 I think, that will be extremely beneficial to us and cost-
9 effective for us is the fact that we will be able to meet by
10 teleconference even in hooking up a phone so that the public
11 can also be included.

12 And we spent some time on that provision to assure
13 that part that allowing us to do it by teleconference would
14 also require that everybody be able to hear everybody else
15 when we do it.

16 So I know that this will help us as a Board, but I
17 think that if we do it all at one time, in terms of getting
18 the bylaws approved, that we'll be much better off. John?

19 MR. BROOKS: Well, I'm just suggesting that we
20 could go through the substance of it now without making a
21 formal adoption of it so that we would educate the rest of
22 the Board as to the substantive changes that we have made to

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1 save time in March.

2 Then, we could do the adoption process in March and
3 discuss the indemnification provision then as, presumably,
4 the only issue.

5 MS. BATTLE: We can do that, yes, if we've got time
6 now.

7 CHAIR EAKELEY: I think that would be helpful to
8 the rest of the Board to get a little bit more of an
9 orientation to the changes in the bylaws. We don't need to
10 spend a lot of time, but if you could just highlight the
11 significant improvements, then, when we all go back and read
12 the revisions, we'll know what the policy options were.

13 MS. BATTLE: I think, and I'm going to ask Bill to
14 help us with this, because he spent quite a bit of time
15 working along with Laurie -- is Laurie here?

16 MR. McCALPIN: No.

17 MS. BATTLE: Vic is here.

18 MR. McCALPIN: Vic is here.

19 MS. BATTLE: In the first section, one of the first
20 changes that we made has to do in the definitions. We
21 expanded the term to include "telefax or express mail" to
22 include "electronic communication," because we will be doing

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1 communications by E-mail and by some other things, and we
2 think that that's significant in that that would allow us the
3 ease of communicating absent using just simply the mail.

4 If you go through, on page 5, we spent considerable
5 time on the issue of Qualifications, Section 3.03, in
6 assuring that the definition of "qualification" that we
7 utilize will comport with what courts and what the law is
8 with regard to a qualification of a director.

9 We decided on language in defining "qualification
10 for a director" to include that "a director be appointed by
11 the President --" "If a director is appointed by the
12 President during a recess of the Senate to fill a validly
13 existing vacancy, they shall be considered qualified for the
14 duration of such appointment."

15 There were some questions and concerns about
16 whether or not using that language was appropriate or whether
17 spelling out what a vacancy is by using language which is in
18 the Act, which seems to indicate that a vacancy occurs by
19 reason of death, resignation or removal of a director.

20 But we've got some pending litigation, and we've
21 got some questions about -- which agrees with the initial
22 language, but since we don't have a final decision on that,

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1 we felt breathing some flexibility into how we constrain or
2 how we construct "qualification" by using "validly existing
3 vacancy" would be the most appropriate way to go with that
4 language.

5 CHAIR EAKELEY: At the moment, I don't want to --
6 at the moment, we have two district court decisions that,
7 basically, hold that if your term expires on July 13 of 1995,
8 and there is no person who has been nominated by the
9 President and confirmed by the Senate to replace you, that
10 you continue in office.

11 And I want to make sure that everyone understands
12 that, especially those current members of the Board whose
13 terms are scheduled to expire on July 13 of 1995.

14 MR. BROOKS: LaVeeda, as I skim this version that I
15 think arrived on our desks this morning, January 28th,
16 Section 3.03 prints Alternative No. 1, and I think we decided
17 Alternative No. 2 was the preferable one.

18 MS. BATTLE: My copy does not, John.

19 MR. McCALPIN: No. 303 has the second alternative.

20 MS. BATTLE: I believe -- well, do you have a copy
21 that dated January 28, 1995?

22 MS. FAIRBANKS-WILLIAMS: It says, "Version II."

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1 MR. BROOKS: All right. I take it back. You're
2 right.

3 MS. BATTLE: Okay. Version I is --

4 MR. BROOKS: Yeah.

5 MS. FAIRBANKS-WILLIAMS: Version II is what you're
6 looking at, right?

7 MS. BATTLE: No. We're looking at Version I.

8 CHAIR EAKELEY: Edna has got something called
9 Version Roman numeral II asterisk.

10 MR. McCALPIN: We each have I and II.

11 MR. BROOKS: And II shows the changes.

12 MS. FAIRBANKS-WILLIAMS: II shows the changes.

13 MS. BATTLE: On my II, it also has the "validly
14 existing vacancy" language under 3.03.

15 MR. BROOKS: Yes. I'm sorry.

16 MS. BATTLE: It does. Okay. All right.

17 MR. BROOKS: I misread it.

18 MS. BATTLE: Okay. And I might just explain we
19 have one redline copy which is called Version II, and we have
20 a clean copy, which is Version I.

21 I think the next -- the issue under the Section
22 4.01 dealing with meetings is one that I alluded to in my

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1 initial report, and Subsection C -- it's on page 8, if you're
2 looking at Version I -- provides for an opportunity for
3 directors to be able to participate in a meeting of the Board
4 by means of teleconference or similar communications
5 equipment.

6 It also establishes that the entire meeting can be
7 conducted by teleconference and that you can constitute a
8 quorum by teleconference as well, which I think is a
9 significant change and will help us in being able to get our
10 work done by teleconference. That's 4.01.

11 406 is a section which deals with quorum, and we
12 spent some time looking at the requirements for a quorum for
13 both the Board and for committees.

14 Initially, we did not set a minimum for committee
15 membership. So you could, ostensibly, have had a committee
16 of one, I presume.

17 MR. MCCALPIN: That's 5.

18 MS. BATTLE: 5.01, right. Yeah. In 4, what we
19 have as a quorum is four directors.

20 MR. MCCALPIN: A majority but not less than four.

21 MS. BATTLE: "At each meeting of the Board, the
22 presence of a majority of the directors then in office but in

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1 no event less than four directors shall constitute a quorum."

2 The next area that there was some discussion about
3 is Section 4.11, which deals with the question of action
4 taken when there is not a meeting of the Board.

5 We utilized language there initially which read,
6 "Any action which may be taken at a meeting of the Board may
7 be taken without a meeting if a consent in writing setting
8 forth the action so taken is signed by all the directors."

9 A question arose as to whether signing a consent
10 form but not agreeing to the action would be appropriate. We
11 had some discussion about what the not-for-profit statute in
12 the District of Columbia provided, and this language,
13 basically, tracked that.

14 But to assure our view, which is that the action,
15 if it's taken without a meeting, must be unanimous, we did
16 some changing to that language.

17 So now 4.11 reads, "Any action which may be taken
18 at a meeting of the Board may be taken without a meeting if a
19 consent in writing is signed -- to such action is signed by
20 all of the directors."

21 MS. MERCADO: But it doesn't necessarily mean for
22 approval, just that it's signed.

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1 CHAIR EAKELEY: No. You have to consent to the
2 action.

3 MS. BATTLE: You have to consent to the action.
4 See, that was the issue, Maria, that we raised. Initially,
5 the way it's written, it appeared that you could sign and
6 consent that the action be taken without a meeting but not
7 agree to the action.

8 But it's our understanding that D.C. law has
9 interpreted generally, even though written this way,
10 interpreted this to mean that if you're talking about taking
11 an action when there is not a meeting, you have to have
12 unanimous consent for that action.

13 MR. McCALPIN: LaVeeda, I think you ought to talk
14 about the second sentence in 4.11, which was the subject of
15 an alternative.

16 MS. BATTLE: Okay. The second sentence in 4.02 --

17 MR. McCALPIN: 4.11.

18 MS. BATTLE: 4.11, I'm sorry, read, "At the
19 discretion of the Chair or the President, any such action so
20 taken may be included in the notice of the next meeting."

21 And we had an alternative language for that that,
22 "Any action so taken shall be included in the notice of the

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1 next meeting of the Board unless the action is such as might
2 have been taken in an Executive Session of a Board meeting,
3 as authorized by law or these bylaws."

4 We agreed upon the second language, which was more
5 explicit and gave the flexibility, if the specific action
6 undertaken without a meeting was the kind that could have
7 been taken in an Executive Session, that it would there
8 reflected.

9 MR. BROOKS: Well, in any event, it should be
10 included in the notice of the next meeting. The alternative
11 was to leave that at the discretion --

12 THE GROUP: Unless it's in Executive Session.

13 MR. McCALPIN: The other way around. The
14 discretionary was the way it was written, and the alternative
15 was the mandatory. We have adopted the mandatory.

16 MR. BROOKS: Yeah. We adopted the mandatory,
17 right.

18 MS. BATTLE: That's right. Now we get to Section
19 5.01. I was looking earlier at the interplay between 5.01
20 and the section regarding establishment of the Board quorum.

21 In 5.01, the Board is given the authority to
22 establish committees that may act for the Board and also the

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1 ability to establish committees that do not have the power to
2 act for the Board. We spent some time talking about the
3 quorum.

4 MR. FORTUNO: Linda did raise a question. I'll
5 bring it up in case you want to discuss it. 5.01(a) reads,
6 "The Board may establish or dissolve committees as follows."
7 It uses the term "may."

8 And then, (a)(1) goes on to say, "A committee which
9 may exercise the authority of the Board shall be established
10 and" --

11 MR. McCALPIN: Only by resolution.

12 MR. FORTUNO: Yes. I think that it's appropriate
13 to have the "may" in 5.01(a) and the "shall" in 5.01(a)(1),
14 but I think that Linda was concerned that there might be some
15 confusion by using "may" in Part (a) and then the "shall" in
16 Part (a)(1). Is that right, Linda?

17 MR. McCALPIN: I don't think so. I disagree.

18 MR. FORTUNO: Yeah. I think that it's appropriate
19 the way it is.

20 MR. McCALPIN: I think what we're saying is may
21 establish, but if you do --

22 MR. FORTUNO: Then it must be done this way.

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1 MR. McCALPIN: -- it shall be established by a vote
2 of a majority of directors in office.

3 MS. PERLE: It's inconsistent with II, then.
4 Aren't you suggesting use the same process for other
5 committees as well?

6 CHAIR EAKELEY: I don't think we need to go into it
7 here. I see it's really a question of changing the "shall"
8 to a "may." Bill, I think it does make it parallel, and it
9 still says it may be established but only by a vote of such
10 and so.

11 MS. MERCADO: And II had "may."

12 MR. McCALPIN: Except the difference is that (a)(1)
13 takes a majority of the directors in office, and (a)(2)
14 simply takes a majority of the directors present of a
15 meeting.

16 CHAIR EAKELEY: Understood.

17 MS. BATTLE: Well, the distinction is also this:
18 In 1, you're talking about -- and this is why it's wonderful
19 to do this in committee as opposed to the full Board, but in
20 1, you're really talking about establishing a committee which
21 has the responsibility and the authority to exercise Board
22 authority.

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1 And for that Board authority, what we're saying
2 here is that it shall be established only by a resolution of
3 majority of the directors in office, and I think that's the
4 reason you would distinguish that from an instance where
5 you're establishing the committee, which will not have that
6 authority.

7 You can do that with the directors present, and I
8 think it is important to distinguish a committee that's set
9 up with Board authority from one that is set up that does not
10 have Board authority, because, in effect, we are delegating
11 some of that authority, as Board members, in the
12 establishment of an (a)(1) committee.

13 CHAIR EAKELEY: The main point about Section 5.01,
14 though, is that it authorizes the creation of committees'
15 delegated authority to act on behalf of the Board as well as
16 nonexecutive committees that are advisory in nature.

17 MR. McCALPIN: All the committees we have presently
18 are (a)(2) committees.

19 CHAIR EAKELEY: That's correct.

20 MR. McCALPIN: I would point out one other thing.
21 In (a)(3), and this is, I think, what concerns Nancy, is new,
22 and we do not presently have any requirement that the

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1 resolution creating a committee set out the authority,
2 responsibility and limitations, if any.

3 We haven't done that up until now, but this is an
4 attempt to, you know, solidify the role of the committee, and
5 if we get the restructuring, the governance, I think we ought
6 to have this in mind.

7 CHAIR EAKELEY: Yeah. And indeed, the current
8 bylaws establish three standing committees, and the bylaws
9 name them, but it doesn't provide any kind of job
10 descriptions or guidelines for what they're supposed to do.

11 MS. ROGERS: It's my guess, correct me if I'm
12 wrong, that we will have no committees on the day that this
13 goes into effect unless we separately vote.

14 MR. McCALPIN: Well, it seems to me we can easily
15 pass a resolution authorizing the continuance of the present
16 committees.

17 MS. ROGERS: Okay. And describing their duties.

18 MS. BATTLE: Well, yeah. I think, in order for
19 those committees to be duly in effect, that we would need to
20 have the existing committees comply with the bylaws once they
21 are adopted.

22 CHAIR EAKELEY: I think we need to be far enough

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1 along to anticipate the types of reorganization and/or
2 resolutions that will be required when we go from current
3 bylaws to new bylaws.

4 This is one area where we'll need a little bit of
5 advance thinking, not that we need to have the perfect
6 structure for all times of the newly constituted corporation,
7 but at least for a transitional period we may need to pass a
8 resolution reauthorizing the three so-called standing
9 committees plus the Ad Hoc Governance Committee with a little
10 more attention to what each is supposed to be doing pursuant
11 to subsection 3 here.

12 MS. BATTLE: Which I would like to suggest that
13 each existing committee give us input so that we can have a
14 resolution that really speaks to what the committees are
15 involved in doing and would like to have as a basis for their
16 statement of responsibility.

17 CHAIR EAKELEY: Or, in fact, what we might want to
18 do is ask each committee to submit to Nancy some
19 recommendations or thoughts about --

20 MR. McCALPIN: I'm not sure that the Chair of the
21 Provisions Committee is hearing this.

22 MS. FAIRBANKS-WILLIAMS: I'm writing it down.

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1 MS. BATTLE: We've got a Provisions proxy.

2 MS. ROGERS: There is a possibility that I'll be
3 here on one day in February, and if we could arrange -- since
4 that will give us enough -- a quorum here, if we could
5 arrange a telephone conference, it could include your
6 committee as well, and we might have a discussion as to
7 whether we want to change, whether there seems to be a
8 movement for change and what we should have ready for the
9 next meeting as the resolution continues for a time existing
10 committees.

11 MR. McCALPIN: Do you have a specific day that you
12 will be here?

13 MS. ROGERS: I'll be here late in the afternoon on
14 February 16th. I don't know how that works with Alex's
15 schedule and with the Inspector General's schedule.

16 MS. BERGMARK: I'll be here that day, too.

17 CHAIR EAKELEY: It might be worthwhile to invite
18 each committee -- and maybe we can do this by correspondence,
19 in the absence of a meeting, but each committee or each
20 committee member to commit to writing two things.

21 One, a job description, in effect, that outlines
22 what that committee believes to be its authority,

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1 responsibility and limitations and then considers
2 recommendations for improving on or changing the authority or
3 responsibility of that committee, just as a starting point,
4 because we know that we're going to have to have something by
5 resolution hopefully ready at the time that we adopt the new
6 bylaws.

7 MS. BATTLE: The next section was one that we spent
8 considerable time back in June looking at, and we came up
9 with language that we're comfortable with that has to do
10 with, under Section 5.02(c), the Sunshine provisions in our
11 regulations.

12 What we have in the language at present is any
13 committee that is created which is a committee that has the
14 authority to act for the Board shall be open to the public in
15 accordance with the requirements of the Sunshine Act and the
16 regulations that we promulgate thereunder, unless it's closed
17 pursuant to either one of those two, statutes or regulations.

18 Now, if we have meetings of committees that are
19 created pursuant to 5.01(a)(2), which will be the committees
20 that do not exercise the Board authority, they shall be open
21 to the public unless closed, as we will provide in 1622, the
22 Corporation regulations.

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1 So at this point we will continue all of our
2 meetings as we have in the past. There have been no changes
3 to 1622. It has not been considered by our Committee as of
4 yet, and based on that, the provisions in 1622 provide the
5 same at present coverage from the Sunshine Act for committees
6 that do not exercise the authority of the Board.

7 So there is, in effect, no change to the way we
8 operate at present in Section C. I don't have any other
9 significant changes other than the indemnification provision.
10 Bill, do you?

11 MR. McCALPIN: Yeah. We have -- the provision
12 about the termination of office and employment, resignation,
13 office and employment.

14 MS. BATTLE: Okay. Yeah. That one is -- there was
15 a provision -- I can just explain it to you. Linda brought
16 to our attention the fact that there was a provision that was
17 unclear as to when the Board made a determination that a
18 particular officer should be terminated as to whether their
19 employment would continue.

20 In order to clarify that, we put language in the
21 bylaws to distinguish and bifurcate that issue so that the
22 Board has the authority, of course, to decide whether or not

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1 to remove an officer from their office, and a separate
2 decision will be made regarding employment. 6.02 and -- is
3 it -- 6.03 and 6.04.

4 CHAIR EAKELEY: Are there any questions?

5 (No response.)

6 CHAIR EAKELEY: I think this is a very nice job. I
7 think that it is prudent to conclude the entire set of
8 revisions first before putting them to a vote, and indeed, I
9 think we have a little bit more preparatory work to be
10 completed prior to the actual adoption.

11 MR. McCALPIN: Maybe we need to get the whole Board
12 involved in whether to use an "O" or an "A."

13 MS. BATTLE: We did that with "depository" and
14 "depository," and we might want to put that to a full Board
15 vote.

16 CHAIR EAKELEY: Why don't we just note that it's
17 the consensus of the Board that we'll use Webster's New World
18 Dictionary to resolve that. All right. Thank you very much,
19 and I'm sorry to have -- but you did have perfect --

20 MS. BATTLE: No. I think it was good. I think it
21 was good that we went through the bylaws today. So the only
22 issue we'll have to undertake when we meet in March will be

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1 the issue of indemnification, and it should not take long for
2 us to discuss that.

3 CHAIR EAKELEY: All right. That's your Committee
4 report, then?

5 MS. BATTLE: That is my Committee report,
6 Mr. Chairman.

7 CHAIR EAKELEY: Very good.

8 PUBLIC COMMENT

9 CHAIR EAKELEY: I think the only other item on our
10 agenda, other than Other Business, is Public Comment. At
11 this time I'd like to invite anyone who has any public
12 comment to come forward and provide that comment.

13 (No response.)

14 CHAIR EAKELEY: Hearing and seeing none, let's go
15 on to Consider and Act on Other Business.

16 CONSIDER AND ACT ON OTHER BUSINESS

17 CHAIR EAKELEY: Maria Luisa.

18 MS. MERCADO: Yes. Mr. Chairman, I went back home
19 and looked at all my different calendar stuff, and I noticed
20 in the March meeting I think there was -- someone said they
21 had a conflict with their spring vacation, and unfortunately,
22 the date has been set. The conflict was mine.

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1 So I don't know whether anyone is up for
2 negotiation or, I guess -- I could do it any other weekend in
3 March.

4 I know someone else said one week in March was also
5 their spring vacation, but I don't know who. It may have
6 been you, Doug. I'm not sure. Right now, we have it
7 scheduled for March 17th and 18th, 16th, 17th and 18th.

8 CHAIR EAKELEY: Tom is not here. I remember when
9 we went through this we had conflicts on other times. The
10 CLASP dinner is on the 11th, but I had a conflict in terms of
11 doing the Board meeting because I had meetings that day and
12 the day before.

13 MR. McCALPIN: I cannot do it the preceding week.

14 CHAIR EAKELEY: How about the 24th --

15 MS. MERCADO: Or the week after --

16 CHAIR EAKELEY: The 24th, 25th.

17 MS. FAIRBANKS-WILLIAMS: That was when Tom was
18 having a problem.

19 MR. ASKEW: I have a conflict on the 25th. It's
20 Law Day at my law school. I have to speak.

21 MS. MERCADO: Okay. Let me try a different one.
22 November we had thought of doing it in Texas, and those dates

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1 that were selected is when we actually have a meeting for
2 another of the boards that I chair. And we're also hosting
3 -- and I think I'm also supposed to be hosting or helping
4 host the November meeting.

5 So I could do it any other weekend in November but
6 not the weekend of the 16th through the 18th. I was also
7 going to recommend, Mr. Chairman, I'd gotten some input from
8 our state support group and some of the other groups.

9 And they had actually thought it might be better to
10 have it, like, in the Valley, which would bring a different
11 kind of Legal Services delivery system, in that they could do
12 a variety of different presentations or field tours.

13 La Colonias, I think, is probably about the only
14 type of legal services of that nature, probably, in the
15 country that Legal Services is funding, and they've done a
16 lot of economic development-type work down in the border. It
17 would probably be in McCallum, which many of the major
18 airlines fly into.

19 CHAIR EAKELEY: Well, we could talk about -- let's
20 just focus on the date, and then we can work on the place.

21 MS. MERCADO: Right. But I think, as we had
22 tentatively thought about San Antonio just thought that was

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1 just another urban area, as opposed to more of a rural -- you
2 know, different type of setting.

3 CHAIR EAKELEY: The next Friday is the Friday after
4 Thanksgiving. So I think that pretty much rules it out. And
5 the preceding Friday is a national holiday. It's Veterans
6 Day weekend, but that may not make a difference to anyone.
7 Or we can do it the weekend of the 3rd and 4th of November.

8 What are people's -- I think the further back away
9 from Thanksgiving probably the better for most people. How
10 about the 3rd and the 4th? We're not meeting -- we will have
11 met on the 22nd and 23rd of September. So we're not in
12 danger of backing up meetings one on top of the other.

13 MS. MERCADO: That's fine.

14 CHAIR EAKELEY: 3rd and 4th? Let's reschedule for
15 the 3rd and 4th in Texas, and we'll work a little bit more on
16 logistics of where to meet.

17 MS. ROGERS: May I ask a meeting date question
18 also? The folks in Columbus, who are doing the arrangements,
19 have pointed out that the day of our meeting the State Bar
20 Association is meeting in Toledo.

21 So some of the folks who might want to meet us when
22 we were there would prefer that we put it back a week,

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1 although they can fly back and forth from Toledo to appear,
2 if necessary. What does the 26th and the 27th look like?

3 MR. McCALPIN: That's Memorial Day Weekend.

4 MS. ROGERS: Okay. I guess, alternatively, the
5 12th and 13th.

6 MS. FAIRBANKS-WILLIAMS: That's Mother's Day.

7 MS. ROGERS: Not until Sunday.

8 MR. ASKEW: Fine with me.

9 MS. ROGERS: Does that work for everyone?

10 CHAIR EAKELEY: I've got a partners meeting the
11 night of the 11th. Can we get out of Columbus direct flights
12 early in the morning from Newark?

13 MS. ROGERS: From Newark?

14 CHAIR EAKELEY: Yeah. 12th and 13th of May for our
15 Board meeting in Ohio.

16 MS. MERCADO: So March we still have it the same
17 date, right?

18 CHAIR EAKELEY: Excuse me?

19 MS. MERCADO: On March, we still have it on the
20 same day?

21 CHAIR EAKELEY: Yes. Yes, unfortunately.

22 MR. BROOKS: Do we want to fix the February date

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1 for the Ops and Regs meeting while we were all together?

2 CHAIR EAKELEY: February Ops and Regs meeting in
3 Washington? It was the 9th and 10th.

4 MR. McCALPIN: What are we talking about?

5 CHAIR EAKELEY: Ops and Regs meeting in February.

6 MR. McCALPIN: We haven't talked about that.

7 MS. BATTLE: Well, John just asked about --

8 MR. McCALPIN: I cannot do it that weekend.

9 MS. BATTLE: Well, we can move it. I mean, we've
10 got all our committee members here.

11 CHAIR EAKELEY: Well, why don't we leave that to
12 the Committee after the Board adjourns, since the Committee
13 will be here.

14 MS. BATTLE: Do you all want to get together? We
15 need to set a date.

16 MR. McCALPIN: Well, we have a committee meeting
17 following this. So we can do it then.

18 MS. BATTLE: Okay.

19 MR. BROOKS: I just thought that it might be -- if
20 we could easily do it, then let the rest of the Board know
21 when it was going to be.

22 CHAIR EAKELEY: Okay. Fine.

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1 MS. FAIRBANKS-WILLIAMS: You were talking about two
2 meetings going together, I thought.

3 CHAIR EAKELEY: No. That's before the next --

4 MR. McCALPIN: There is no point in doing it next
5 weekend. Wait a minute. Nancy said she would be here on the
6 16th, and there was some talk about --

7 MS. MERCADO: Well, she wanted the Chairs to have
8 some input on some of her stuff.

9 MS. ROGERS: Yeah. If I could do that, say, at
10 4:00 in the afternoon, from 4:00 to 5:00 on the 16th --

11 CHAIR EAKELEY: That looks good.

12 MS. BATTLE: Does the 16th work for you, Ernestine?

13 MS. FAIRBANKS-WILLIAMS: Are you talking about
14 March?

15 MS. BATTLE: February, 16th, 17th, 18th.

16 MR. McCALPIN: I may not be able to be here, but I
17 could be here by telephone, if necessary --

18 MS. BATTLE: Okay.

19 MR. McCALPIN: -- on the afternoon of the 16th.

20 CHAIR EAKELEY: That weekend is the President's Day
21 weekend, and there are a lot of school holidays, too. But if
22 you do it on Thursday-Friday, you'll avoid some of that extra

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1 traffic and scheduling conflict.

2 So 4 o'clock on the 16th for Ad Hoc Governance
3 Committee meeting and possibly joint meeting with Ops and
4 Regs and discuss implications of bylaw revisions?

5 MS. ROGERS: Joint meeting of Ops and Regs and --

6 MS. BATTLE: No. Just the Ad Hoc Committee.

7 MS. MERCADO: But the Ops and Regs will meet all
8 day Thursday and all day Friday, 16th and 17th.

9 CHAIR EAKELEY: I had one other reminder for
10 everyone. In your Board materials, although not highlighted,
11 or maybe I'm the only one who missed it the first time
12 around, but we have an annual requirement to file disclosure
13 forms that need to be given to Pat Batie at your earliest
14 possible moment.

15 It was Item 11 in the Board materials, but this is
16 an annual disclosure of conflict of interest, affiliations
17 and the like. Bill.

18 MR. McCALPIN: I looked at that and filled it out
19 partly and consulted General Counsel with respect to the
20 disclosure of financial interests, whether, you know, the
21 extent to which -- I noticed it last year.

22 I pulled out last year's, and I simply said, you

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1 know, various stock and bond investments, or some words to
2 that effect. Counsel was going to tell me how detailed we
3 had to get, in terms of financial disclosure.

4 MR. FORTUNO: And we should have something back to
5 you Monday. I think the question was, clearly, if you have
6 an ownership interest in an entity, that's covered.

7 CHAIR EAKELEY: Well, what does that mean?

8 MR. FORTUNO: I think Mr. McCalpin's question was
9 what if it's not an ownership interest but, in fact, he has
10 funds on deposit at a certain financial institution and
11 actually asked questions broader than that, asked about
12 insurance policies and things of that nature.

13 So we're having someone take a look at it and send
14 him something among, which we can --

15 CHAIR EAKELEY: Well. Wait. No, wait. Wait. We
16 should have one memo circulated to the Board in advance of
17 the due date of this thing that alerts us to our ongoing
18 obligations and advises us all appropriately of the way in
19 which the form should be filled out.

20 This is the first time -- are you saying that every
21 time there is a change in stockholding that Board members
22 have to change the report?

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1 MR. McCALPIN: No, no. Once a year. Once a year.

2 CHAIR EAKELEY: But once a year you have to go
3 through -- I thought this was -- the form, as I read it, was
4 really a -- for example, I changed law firms, and, obviously,
5 that requires a disclosure, but I did not read anything on
6 the form to require the sort of particularization --

7 MR. McCALPIN: I don't have -- you got the form
8 handy? Look at the last portion of it.

9 CHAIR EAKELEY: Well, in any event, Victor, please
10 circulate the memo to the Board.

11 MR. FORTUNO: We will.

12 CHAIR EAKELEY: And perhaps with another set of
13 forms themselves. But this needs to be -- we have to rely on
14 staff to make sure that we know what we're supposed to be
15 doing in sufficient time in order to do it.

16 MR. McCALPIN: Doug, it says, "Has or has had
17 within the past two years any direct or indirect financial or
18 ownership interest."

19 CHAIR EAKELEY: Yeah. But we've already filled out
20 forms reporting on that extensively, and most of the
21 disclosure things I've been familiar with are -- you update.
22 Here is the change in the forms from the last time. I did

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1 not understand it, perhaps erroneously, to mean that we've
2 got to go through the -- we have to file the same thing plus
3 the changes.

4 MR. McCALPIN: I read it that you had to --

5 CHAIR EAKELEY: And this applied -- okay.

6 MR. FORTUNO: We'll get a memo to you.

7 CHAIR EAKELEY: I'd like a definitive memo and
8 specifically whether it --

9 MS. BATTLE: When is the due date?

10 CHAIR EAKELEY: Yes. That's another question.

11 MR. McCALPIN: Tuesday.

12 MR. FORTUNO: End of the month. End of the month.
13 The world won't come to an end, but it's supposed to be --

14 CHAIR EAKELEY: Okay. But this just was included
15 in our Board materials with no advice, no highlighting, just
16 one of 15 different pieces of paper.

17 MR. FORTUNO: It's a form that was -- it's in the
18 form approved by the Board some years ago that has been used
19 year after year.

20 CHAIR EAKELEY: Well, but --

21 MR. FORTUNO: And the question was raised this time
22 as to just how broad that he is.

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1 CHAIR EAKELEY: Well, I don't think -- I think
2 you're going back and checking the Legislative and Executive
3 Branch requirements now, right? We're not -- that's what the
4 advice we'll be receiving?

5 MR. McCALPIN: Actually, it's in the bylaws.

6 MR. FORTUNO: This is a bylaw requirement, pure and
7 simple.

8 MR. BROOKS: Well, the bylaw requirement is
9 relatively simple in relation, as I understand it. It
10 doesn't require anything like the enumeration of every
11 security you own.

12 MR. FORTUNO: That's correct. Not at all. Not at
13 all like that. Rather than take up your time with it right
14 now, we'll get a comprehensive memo out to you before the
15 form is due. We'll fax it to you.

16 CHAIR EAKELEY: Thank you.

17 MR. FORTUNO: And we won't bog you down with that
18 right now. I did want to make one other point, though, and
19 that is, in scheduling, I just wanted to remind you that
20 you'll be getting a semi-annual report from the IG at the end
21 of October, and management will have November to review that
22 and provide its response to that report.

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1 So I don't know whether you believe that to impact
2 on your scheduling for meeting in November, but you should
3 know that that will be due at the end of November, and you'll
4 be meeting, right now, at the beginning of November.

5 So you won't have an opportunity to discuss it in a
6 meeting, although it can be done by notational vote. I don't
7 know how you want to handle that. I just wanted to call that
8 point to your attention.

9 CHAIR EAKELEY: Okay. Thank you. That should be
10 okay.

11 MS. BATTLE: Can we fax our responses to that
12 requirement back to the office here?

13 CHAIR EAKELEY: Sure.

14 MR. FORTUNO: Sure.

15 CHAIR EAKELEY: I did not understand this was
16 driven only by our bylaws and not by a new ethics rule or --

17 MR. FORTUNO: No.

18 CHAIR EAKELEY: All right.

19 MR. BRODERICK: Mr. Chairman, who makes this
20 disclosure -- to the Corporation?

21 CHAIR EAKELEY: Apparently, to the Corporation.
22 But I gather, then, it's then subject to the Freedom of

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1 Information Act.

2 MR. FORTUNO: Which is one of the points that we're
3 addressing in the bylaws is that --

4 MR. BRODERICK: What is it point of it, I guess I'm
5 asking? Why do we require disclosure in our bylaws that the
6 Congress of the United States does not require?

7 CHAIR EAKELEY: I think the concern was the
8 conflict of interest.

9 MR. FORTUNO: The bylaws require disclosure by
10 directors, and that's for purposes of putting on file at the
11 Corporation the associations that you do have, for example,
12 entities in whom you have an ownership interest for conflict
13 purposes.

14 I don't think it gets to amounts, size of
15 investment but simply affiliation, if you have an ownership
16 interest in a particular entity.

17 MR. BRODERICK: Isn't that requirement ongoing?
18 It's not an annual -- if I have a conflict of interest two
19 weeks after I fill out this form, I have an obligation to
20 disclose it, I assume.

21 MR. FORTUNO: If you have a conflict, but the fact
22 that you have an affiliation with an entity needs to be

1 disclosed it may not constitute a conflict yet because the
2 issue hasn't arisen.

3 Certainly, when an issue arises and there is a
4 conflict, you do have an obligation to disclose, but at this
5 point you're not declaring conflicts. You're simply
6 declaring affiliations.

7 MS. BATTLE: May I just read the section so we can
8 at least be clear of what the bylaw provision says? It is
9 Section 3.05, Outside Interest of Directors, Subsection (b).

10 "Pursuant to the procedures to be established by
11 the Board, from time to time each member of the Board, upon
12 assuming office and at least annually thereafter, shall file
13 with the Secretary a statement identifying any firm or
14 organization with which he or she is then or has been within
15 the prior two years associated as defined in paragraph A and
16 the nature of the association.

17 "In the event the association is a result of a
18 financial or ownership interest, that fact shall be reflected
19 in the statement, but the member need not reveal the degree
20 of financial interest. Such statements shall be available
21 for public inspection."

22 Now, subsection (a) says, "No member of the Board

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1 may participate in any decision, action or recommendation
2 with respect to any matter which directly benefits such
3 member or pertains specifically to any firm or organization
4 other than the Corporation with which such member is
5 associated or has been associated within a period of two
6 years.

7 CHAIR EAKELEY: But "associated" is defined as
8 including any organization with which you've had any direct
9 or indirect financial or ownership interest.

10 MR. FORTUNO: And that was the question, was what
11 does that mean? That's what I understood Mr. McCalpin's
12 question to be, and that's what we're addressing in
13 particular.

14 CHAIR EAKELEY: I see. Thank you.

15 MR. McCALPIN: I'm sorry for raising the question.

16 MR. BRODERICK: I'm glad you did.

17 CHAIR EAKELEY: Nancy.

18 MS. ROGERS: Victor, is there any other reporting
19 requirement other than this one --

20 MR. FORTUNO: No. We --

21 MS. ROGERS: -- that we assume as a result of our
22 office here?

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1 MR. FORTUNO: Our insurance carriers did used to
2 require some degree of reporting, which they no longer do.
3 So the only reporting requirement that I'm aware of at this
4 time is simply the requirement imposed by the bylaws.

5 MR. McCALPIN: I would also point out -- Alex isn't
6 here, but when we use the term "member of the Board," that
7 includes Alex.

8 CHAIR EAKELEY: Yeah.

9 MR. McCALPIN: That's why he had to do it. He
10 raised some question a while back about why he had to do it,
11 but that phraseology requires him to do it.

12 CHAIR EAKELEY: All right. Any other new business
13 or old business or any business?

14 (No response.)

15 CHAIR EAKELEY: Thank you very much. We will see
16 you all in February or March, hopefully all in March and many
17 of you beforehand.

18 MS. MERCADO: Are we adjourning?

19 CHAIR EAKELEY: Oh, thank you. Motion to adjourn?

20 M O T I O N

21 MS. FAIRBANKS-WILLIAMS: I move.

22 CHAIR EAKELEY: Is there a second?

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1 MR. ASKEW: Second.

2 CHAIR EAKELEY: All those in favor?

3 (A chorus of ayes.)

4 CHAIR EAKELEY: Opposed?

5 (No response.)

6 CHAIR EAKELEY: All right. Adjourned.

7 (Whereupon, at 10:35 a.m., the meeting of the Board
8 of Directors of the Legal Services Corporation was
9 adjourned.)

10

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