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# TRANSCRIPT OF PROCEEDINGS

LEGAL SERVICES CORPORATION

BOARD OF DIRECTORS MEETING

Pages: 1 through 20

Washington, D.C.

March 7, 1985

**Acme Reporting Company**

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1 LEGAL SERVICES CORPORATION  
2 BOARD OF DIRECTORS MEETING

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La Martine Room  
Ramada Renaissance Hotel  
1153 New Hampshire Avenue, N.W.  
Washington, D.C.

5

6

Thursday  
March 7, 1985

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The above-entitled matter convened at 8:53 a.m.,  
10 on Thursday, March 7, 1985.

11

BEFORE: W. CLARK DURANT III  
Board Member

12

APPEARANCES:

13

Members Present:

14

W. CLARK DURANT, III

15

ROBERT VALOIS

16

CLAUDE SWAFFORD

17

THOMAS SMEGAL

18

PEPE MENDEZ

19

BASILE UDDO

20

LEANNE BERNSTEIN

21

HORTENSIA BENAVIDEZ

22

LORAIN MILLER

23

MICHAEL WALLACE

24

PAUL EAGLIN

25

RICHARD BAGENSTOS ✓

TOM OPSUT ✓

JOSHUA BROOKS

TIMOTHY BAKER ✓

F. WILLIAM MCCALPIN

W. REESE SMITH

WILLIAM F. HARVEY

WILLIAM OLSON

CLARENCE MCKEE

PETER FERRERA ✓

DONALD SANTERELLI ✓

JAMES BRANDE ✓

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APPEARANCES (Continued):

Members Present:

MR. HOUSEMAN  
MR. MEYER

1 MR. DURANT: The March 7th meeting of the Legal  
2 Services Corporation Board is now in session. Before we  
3 begin, I want to make a request to the Secretary that we  
4 not be on the dance floor again. Before we begin our  
5 meeting, I'd like Father Murray from St. Matthews Cathedral  
6 here in Washington to begin with an invocation.

7 FATHER MURRAY: I've never said a prayer on a dance  
8 floor before.

9 Let's just take a moment to be still and to recognize  
10 the presence of God, the presence of our higher self, the  
11 presence of the Spirit, the presence of whoever is in charge  
12 and just to be aware of each other's presence.

13 (Pause.)

14 FATHER MURRAY: I want to read a passage from  
15 a fourteenth century writer, Meister Eckhardt (Johannes):

16 "People ought to think less about what they should  
17 do and more about what they are, for when people and their  
18 ways are good, then their works shine forth brightly.  
19 If you are just, then your works are also just. Works do  
20 not sanctify us, but we are to sanctify our works. Holiness  
21 is based on being; not on a single action. If you wish to  
22 explore the goodness of actions, explore first the nature  
23 of the ground of the work."

24 Lord, we ask you to help us to be in touch with  
25 you and with the work of your spirit in the world and in

1 our lives; we ask you to help us to create a more just  
2 society and we realize that to do that, we ourselves need  
3 to be just; we ask you to help us to create a more caring  
4 and compassionate society, and we realize that to do that,  
5 we ourselves have to first be caring and compassionate  
6 persons. We ask you to send your blessings in a special  
7 way on the important deliberations of the Legal Services  
8 Corporation at this meeting, and we lift up to you as well  
9 our concern for the continued journey toward you of Chuck  
10 Cordell, that we know that he is in your hands and that  
11 he is taking a step that we ourselves will eventually be  
12 taking, and we hope that we will all come to see you one  
13 day as you are, face to face.

14 Amen.

15 MR. DURANT: The first item on our Agenda is the  
16 agenda. And is there a motion to approve the agenda as  
17 it's found in your cord notebooks? It's on the first page  
18 of the section marked "Agenda."

19 VOICE: Excuse me. Are there Board members voting  
20 for public continuation?

21 MR. DURANT: I, I don't think so. The any particular  
22 items that you know are appropriate to task public distribution  
23 we certainly have no objection to. If there are not copies --/  
24 beg your pardon?

25 MR. OPSUT: There are board books and I'm not sure

1 where the Secretary has them.

2 MR. DURANT: Do I hear a motion on the approval  
3 of the Agenda?

4 VOICE: So moved. Mr. President, we would like to  
5 add on behalf of the Presidential Search Committee meeting,  
6 a consideration of a resolution that was passed by the  
7 Presidential Search Committee on February 13th.

8 MR. DURANT: Where would you like to have that  
9 added?

10 VOICE: I don't care.

11 MR. DURANT: Well, let's are there any objections  
12 to that friendly amendment, to amend the agenda? Isn't that  
13 under that or not. Wouldn't that be under that?

14 VOICE: Under what?

15 MR. DURANT: The report from the Special Committee  
16 on Presidential Search? Wouldn't that be part of the report?

17 VOICE: I'm looking at the wrong agenda.

18 MR. SMEGAL: Well, Mr. Chairman, we might amend  
19 this Item 4 to indicate that there will be some action taken.

20 MR. DURANT: On March 8th?

21 MR. SMEGAL: Yes.

22 MR. DURANT: Alright, how would you -- let's do --

23 MR. SMEGAL: Report from and action on Special  
24 Committee under -- item 5 and 6 said action in there.

25 MR. DURANT: Okay, so you're talking about Item 4,

1 March, for March 8th report, from and action on --

2 MR. SMEGAL: The action on report so just the words  
3 "action on" added in front of the word "Report."

4 MR. DURANT: All right, any objections to that?

5 VOICE: I accept that.

6 MR. DURANT: Now, is your question answered regarding  
7 regarding number 3; does 3 cover what?

8 VOICE: Yes.

9 MR. DURANT: All right, there's a motion on the  
10 floor to accept the agenda. Is there a second?

11 MS. SWAFFORD: Just before you do that, Mr.  
12 President, would it be appropriate at this time to vote the  
13 closed portion of the Presidential Search Selection Committee  
14 which meets at 1:00 o'clock this afternoon. Add that to  
15 Agenda. If I don't care where --

16 MR. DURANT: Well, I'll tell you what, we'll make  
17 that number 3(a), if you'd like. We'll make a motion to  
18 close a portion of the Presidential Search Committee Meeting?

19 MS. SWAFFORD: Yes, yes.

20 MR. DURANT: All right. Any objections to that?

21 VOICE: I can't hear the question that's on the  
22 floor.

23 MR. DURANT: John? Mr. Muller?

24 MR. MULLER: Mr. Chairman, we cannot hear the  
25 comments of any of the board members. For example, I don't

1 know what Ms. Swafford's change of the agenda was. It's  
2 simply inaudible.

3 MR. DURANT: All right. Okay.

4 MR. MULLER: The second thing is that, and perhaps  
5 these are minor technical issues, but in terms of precedent,  
6 I believe that the agenda has to be noticed at least 7 days  
7 in advance and I think it's inappropriate to do that under  
8 the requirements of public notice.

9 MR. MENDEZ: Mr. Chairman?

10 MR. DURANT: Mr. Mendez?

11 MR. MENDEZ: I believe that we don't have an actual  
12 item that we need to change. I think that we can close it  
13 without having an actual item change under the presidential  
14 search. I would ask our legal counsel about that because  
15 I think that that's true.

16 MR. DURANT: Mr. Bagenstos?

17 MR. BAGENSTOS: I'm not clear what action is --

18 MR. MENDEZ: If I might, Mr. Chairman?

19 MR. DURANT: Please, Mr. Mendez?

20 MR. MENDEZ: We have a report from the Special  
21 Committee on Presidential Search and we would like to close  
22 a portion of that under the Presidential Search Committee  
23 today.

24 And its not specifically listed as a closed portion  
25 I don't believe.

1 Oh, I'm sorry, we've got two different --

2 MR. DURANT: We've got two different things, but  
3 let's talk about the Presidential Search question first.

4 MR. MENDEZ: Well, the Presidential Search is  
5 noticed under the Presidential Search Committee; we do  
6 not have to -- I don't believe we have to discuss that in  
7 our -- the Board Committee as a whole, is that correct?

8 MR. BAGENSTOS: If your action is to close a  
9 portion of that meeting, that has been noticed as being  
10 closed in part, I think,

11 MR. MENDEZ: Okay -- uh,

12 MR. DURANT: Well, then on this -- so that we  
13 can make the motion at this point to close that portion,  
14 is that what you're saying?

15 MR. VALOIS: Well, my original proposed amendment  
16 was consideration of the resolution and I accepted a  
17 friendly amendment from Mr. Smegal, to action it, if the  
18 distinction Mr. Muller's trying to make between presentation  
19 of the resolution and voting on the resolution, is that  
20 the distinction you're trying to make?

21 MR. MUELLER: Yes sir. The notice in the  
22 Federal Register was simply that the Board would receive  
23 a report from the Committee and I don't believe that in past,  
24 has meant that that's an action item.

25 MR. VALOIS: Well, if Mr. Smegal would permit

1 me to reamend the amendment that I permitted him to make,  
2 I would propose that we present the Search Committee's  
3 resolution to the Board, rather than take action on it.

4 MR. SMEGAL: I'll withdraw my amendment in favor  
5 of some other amendment such as --

6 MR. DURANT: So Mr. Bagenstros, so I understand  
7 you then, do we need to add it to an agenda item, even  
8 this the question to close the Presidential Search?

9 MR. BAGENSTROS: I don't see any reason why.

10 MR. DURANT: Alright, fine.

11 Now, are there any, is there any -- I never got  
12 a second to the Agenda.

13 MS. BERNSTEIN: I'll second it.

14 MR. DURANT: All right. Any discussion, any further  
15 discussion? Essentially, then we are making no -- according  
16 to corporation counsel -- we do not need to add to the  
17 agenda the motion to close, because that has already been  
18 noticed. Is that correct, Mr. Bagenstros?

19 MR. BAGENSTROS: That's correct.

20 MR. DURANT: And the Presidential Search item  
21 will be a presentation, is that correct, Mr. Valois?

22 MR. VALOIS: Yes, that's correct.

23 MR. DURANT: Any other discussion?

24 (No response.)

25 MR. DURANT: All those in favor of the Agenda as

1 is, say aye?

2 (Chorus of ayes.)

3 MR. DURANT: Opposed.

4 (No response.)

5 MR. DURANT: Next item is the approval of the  
6 minutes of our January 25th meeting. Before we discuss  
7 it, is there a motion to accept them?

8 MR. MENDEZ: Mr. Chairman, I move that we accept  
9 the January 25th minutes.

10 MR. DURANT: And is there a second?

11 MS. BENARIDEZ: I second it.

12 MR. DURANT: Okay, any discussion? You want to  
13 take a moment to review them?

14 MR. MENDEZ: I have one small correction. On  
15 page 5, it said the Board then heard from a panel  
16 consisting of national support senator representatives  
17 state support representatives, and lists the various names.  
18 Native American Project Representatives. On January 25,  
19 Mary Trimble Norris did not speak to us. I believe every-  
20 one else did. Mr. Nagler spoke briefly. But Mary Tribble  
21 Norris did not speak to us on that day.

22 MS. BERNSTEIN: Pepe, can I ask that you speak  
23 into the mike, because I can hardly hear you and I know  
24 they can't.

25 MR. MENDEZ: Mr. Chairman, I move that we amend

1 page 5 to reflect that the Board heard from the various  
2 individuals, but we did not hear from Mary Trimble Norris.

3 MR. DURANT: Any objections to that deletion from  
4 the minutes?

5 (No response.)

6 MR. DURANT: Hearing none, it will be made. Any  
7 other amendments? Clarifications, additions, deletions.  
8 Are we ready to vote? All those in favor?

9 (Chorus of ayes.)

10 MR. DURANT: Opposed?

11 (No response.)

12 MR. DURANT: Ms. Bernstein?

13 MR. BERNSTEIN: Excuse me, I didn't mean to  
14 interrupt you before you said they were approved but I  
15 wanted to to make a motion right now to close a portion  
16 of the Board of Director's meeting for the purposes which  
17 were noticed in the Sunshine Act, and I'm not sure whether  
18 or not in light of our discussion regarding the by-laws,  
19 whether it would be -- whether you would like me to make  
20 the motion seriatum with each individual, and take a vote  
21 on each individual one, or whether you want me to make  
22 the motion as a group, and if anybody has an objection, to

23 MR. DURANT: Well, when you say as --

24 MR. BERNSTEIN: Well, the discussion regarding  
25 the by-laws is maybe we need an individual vote on each

1 section of the Sunshine Act. So I would make the motion  
2 that we close a portion of our Board Meeting to discuss  
3 personnel personal litigation investigatory matters under  
4 1622.5 a, e, f, g, and h. And I would --

5 MR. DURANT: All right. Why don't I ask for a  
6 second to that?

7 Is there a second to that motion?

8 MR. VALOIS: I second it.

9 MR. MENDEZ: Mr. Chairman?

10 MR. DURANT: Mr. Mendez?

11 MR. MENDEZ: To clarify Ms. Bernstein's statement,  
12 I asked Mr. Bagenstos his opinion whether we need to  
13 have an ad seriatum or in toto and we only need an in  
14 seriatum if there's an objection.

15 MR. DURANT: From the Board?

16 MR. MENDEZ: From the Board.

17 MR. DURANT: Okay. Any other discussion. We have  
18 to do this individually by role call. Mr. Smegal, why  
19 don't we start with you? All those in favor?

20 MR. SMEGAL: Aye

21 MS. BERNSTEIN: Aye

22 MS. MILLER: Aye

23 MR. VALOIS: Aye

24 MS. SWAFFORD: Aye

25 MR. DURANT: Aye.

1 MR. MENDEZ: Aye.

2 MR. UDDO: Aye.

3 MS. BENAVIDEZ: Aye.

4 MR. GAGENSTOS: Aye.

5 MR. MEYER: Aye.

6 MR. DURANT: Ms. Bernstein?

7 MS. BERNSTEIN: I would now like to make a motion  
8 I know that we've got it 3A, but while we're doing this --

9 MR. DURANT: Is this on Presidential Search?

10 MS. BERNSTEIN: Yeah.

11 MR. DURANT: Can I halt you for just a second.

12 MR. BERNSTEIN: Sure.

13 MR. DURANT: I'm sorry, ma'am, go ahead.

14 MS. BERNSTEIN: I would now like to make a motion  
15 that the Board authorize the closing of the Presidential  
16 Search Committee a portion of their meeting today, and for  
17 other meetings which relate to the same matters which is  
18 the search for the president, covering personnel personal  
19 matters, as authorized by 1622.5 a, e, and g, and as  
20 specifically referred to in terms of the 30-day time period  
21 in 1622.6b that we be allowed to meet, if the committee  
22 needs to, in order to conduct its executive session business  
23 in the next 30 days on the same matter and this authorization  
24 extend for that period.

25 MR. DURANT: Any seconds to that motion?

1 MR. VALOIS: I second it.

2 MR. DURANT: Any discussion? Well, I have a  
3 question. Ms. Swafford, I understand that you have people  
4 coming today, either in person or by phone, that will  
5 be --

6 MS. SWAFFORD: That's correct.

7 MR. DURANT: I assume that will that's all open?

8 MS. SWAFFORD: That's open.

9 MR. DURANT: The only closed portion is that dealing  
10 with the personnel personal items?

11 MS. SWAFFORD: That's correct, only that one item.

12 MR. DURANT: And my second question, Mr. Bagenstos,  
13 is the Presidential Search Committee needs to meet on  
14 the 31st day, before we have another meeting, what's the  
15 effect of that?

16 MR. BAGENSTOS: If you would move to close  
17 the series, you would move to close this meeting, your  
18 notice is sufficient to do that.

19 MR. DURANT: In order that if there is -- before  
20 our next Board meeting, if that -- I mean, I don't know  
21 what the date is, but if it occurs after the 31st day  
22 and Ms. Bernstein's motion and the Presidential Search  
23 Committee can still meet in a closed session, or does  
24 she have to --

25 MR. BAGENSTOS: You would have to have another

1 notice but you can do that, a movement to close the meeting,  
2 is not a meeting itself, so you can do that by telephone  
3 or whatever, and then we can publish that.

4 MR. DURANT: Mr. Bagenstos, I did not ask you  
5 to certify the closing of the Board meeting or portions  
6 of it. Would you, after the roll call vote, would you  
7 please do so.

8 MR. BAGENSTOS: I certify that all of the Members  
9 of the Board of Directors approved the closing of a portion  
10 of this notice meeting being held the 7th day of March  
11 1985. The closing was approved in order to discuss personnel  
12 personal criminal investigatory -- I'm sorry -- not criminal,  
13 investigatory litigation matters. The closing was approved  
14 by a majority of the Board members by roll call vote taken  
15 during the public portion of the meeting.

16 I certify that in my opinion the closing is  
17 authorized by the government in the Sunshine Act Title 5  
18 U.S.C. 552bc, 2, 5, 6, 7, 9b and 10, and the Legal  
19 Services Corporation Regulations 45 CFR 1622.5 a, d, e, f, g,  
20 and h.

21 MR. DURANT: Thank you, Mr. Bagenstos. Now, back  
22 to the Presidential Search Committee motion, is there any  
23 other discussion? Hearing none, I call for the question.  
24 All those in favor of the closing of a portion of the  
25 Presidential Search Committee, signify by saying aye?

1 (Chorus of ayes.)

2 MR. DURANT: Opposed?

3 MS. BERNSTEIN: Excuse me, Clark that has to  
4 be roll call.

5 MR. DURANT: Ah, you're right. Mr. Smegal, could  
6 we start with you, please?

7 MR. SMEGAL: Aye.

8 (Same order as above, all answers are aye.)

9 MR. DURANT: Mr. Bagenstos, could you certify  
10 please?

11 MR. BAGENSTOS: To amend this previous certification  
12 there are only ten members of the board here, the rest of  
13 them being absent.

14 I certify that the members of the Board of  
15 Directors have approved closing a series of meetings of  
16 the Presidential Search Committee, beginning with the  
17 meeting held on Thursday, March 7th, and extending to the  
18 meetings to be held not later than Saturday, April 6, 1985.  
19 The closing is approved in order to discuss the Board's  
20 search for a new president for Legal Services Corporation  
21 The closing was approved by ten of the Board members during  
22 a roll call vote taken during the open portion of the  
23 meeting held on Thursday, March 7, 1985. I hereby certify  
24 that, in my opinion, the closing of this series of meetings  
25 is authorized by the government under the Sunshine Act,

1 5 U.S.C. Sections 552bc2, 6, 9 and d1, and under Legal  
2 Services Corporations regulations 45 CFR Section 1622.5 a, e,  
3 g, and 1622.6b.

4 MR. DURANT: Thank you, Mr. Bagenstos.

5 At this point I'd like to recess the Board meeting.  
6 Ms. Swafford, would you like to give us a report on the  
7 presidential search?

8 MS. SWAFFORD: Thank you, Mr. Chairman. Can you  
9 hear me? Am I speaking into this?

10 MR. DURANT: It's the other one you have to  
11 speak into, I believe.

12 MS. SWAFFORD: Thank you, Mr. Chairman. Upon the  
13 resignation of our former President, Mr. Bogart, a  
14 presidential selection committee was formed. There have  
15 been two meetings of this committee and a third is scheduled  
16 for 1:00 o'clock today.

17 The first meeting was held on February 13, in  
18 Memphis, Tennessee, and was organizational in nature. We  
19 established a procedure for future meetings. We had invited  
20 public input as to the criteria for the selection of a  
21 president. We adopted a resolution which you've heard  
22 discussed here previously in this meeting, which recommended  
23 to the Board that public input into the selection of a  
24 president be solicited.

25 But that the selection committee should be made up

1 of Legal Services board members. Major part of that meeting  
2 was devoted to and dealt with the reviewing of resumes.

3 The second committee meeting was held on  
4 February 28th in Washington, where we again heard recommenda-  
5 tions from the public on the criteria for the selection  
6 of a president, it being our intent to do this at all of  
7 our meetings, to involve the public and their input.

8 A large portion of that meeting had to do with  
9 the reviewing of resumes.

10 The third meeting, which is scheduled for today  
11 at 1:00 o'clock, will be spent in hearing from the public  
12 again in regard to our selection of a president. We will  
13 be reviewing resumes, and we also will be considering  
14 questionnaires which is a second step in our procedure  
15 of selecting a president. These are questionnaires which  
16 have been returned to those persons who had formerly sent  
17 in applications. And then they have been asked to complete  
18 a questionnaire which they are now returning and we're  
19 in the process of receiving.

20 In addition to these questionnaires, the committee  
21 has sent to prospective -- the committee in addition to  
22 the questionnaires which have been sent to prospective  
23 candidates, we are soliciting additional questions from  
24 the public to be asked to the candidates, exploring areas  
25 of the public's concern during the interviewing process.

1           In this way, the Board will be in a position  
2 to develop those lines of inquiry which are of most concern  
3 to people affected by the corporation. Mr. Chairman, we  
4 have also had the benefit of Mr. Tim Baker who is in  
5 the general counsel as counsel to this committee, and  
6 I might add that he's been very helpful in helping us  
7 to organize our activities.

8           MR. DURANT: Anything further?

9           MS. SWAFFORD: No sir.

10          MR. DURANT: Thank you, Mrs. Swafford. And at  
11 this point, I would like to recess the Board Meeting so  
12 that we can begin the Operations and Regulations Committee  
13 Meeting, so this, the Board Meeting will stand recessed  
14 until it convenes tomorrow, probably at 9:00 a.m., I think.

15          (Whereupon, at 9:18 a.m., the meeting was  
16 recessed to reconvene on Friday, March 8, 1985, at 9:00 a.m.,  
17 in the same place.)

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REPORTER'S CERTIFICATE

DOCKET NUMBER:

CASE TITLE: LEGAL SERVICES CORPORATION, BOARD OF DIR. MEETING

HEARING DATE: MARCH 7, 1985

LOCATION: WASHINGTON, D.C.

I hereby certify that the proceedings and evidence herein are contained fully and accurately on the tapes and notes reported by me at the hearing in the above case before THE LEGAL SERVICES CORPORATION and that this is a true and correct transcript of the same.

Date: MARCH 19, 1985

*Lothar A. Kneifel*

Official Reporter  
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Washington, D.C. 20005

