

LEGAL SERVICES CORPORATION  
BOARD OF DIRECTORS

JOINT MEETING OF THE  
AUDIT AND FINANCE COMMITTEES

OPEN SESSION

Monday, November 30, 2009  
11:00 a.m.

3333 K Street, N.W. 3rd Floor  
Washington, D.C. 20007

COMMITTEE MEMBERS PRESENT:

- |                   |                   |
|-------------------|-------------------|
| Jonann C. Chiles  | Thomas A. Fuentes |
| Herbert S. Garten | Michael D. McKay  |
| Thomas R. Meites  | Laurie Mikva      |
| Sarah Singleton   |                   |

BOARD MEMBERS PRESENT:

- Frank B. Strickland, Chair
- Bernice Phillips-Jackson

STAFF AND PUBLIC PRESENT:

- |                              |                         |
|------------------------------|-------------------------|
| Julie Reiskin, LSC           | Karen Sarjeant, LSC     |
| John Levi, LSC               | Martha Minow, LSC       |
| Gloria Valencia-Weber, LSC   | John Constance, LSC     |
| Bristow Hardin, LSC          | Chuck Greenfield, LSC   |
| Tillie Lacayo, LSC/OPP       | Tom Coogan, LSC/OIG     |
| Ronald Merryman, LSC/OIG     | Joel Gallay, LSC/OIG    |
| Sean Driscoll, LSC/GRPA      | Steve Barr, LSC/GRPA    |
| Stephanie Edelstein, LSC/OPP | Matthew Glover, LSC/OIG |
| Tom Hester, LSC/OIG          | Katherine Ward, LSC/OLA |

C O N T E N T S

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

PAGE

Approval of Agenda 4

Consider and Act on Recommendations to Make 9  
to the Board related to LSC's 403(b) Thrift Plan;  
LSC Employee Handbook; and Merger of TDA and  
403(b) Thrift Plans

Consider and Act on Recommendation to Make 13  
Regarding Proposed Use of LSC President's  
Discretionary Fund

Consider and Act on Other Business 24

Public Comment 24

Consider and Act on Motion to Adjourn 25

MOTIONS: pg4, pg5, pg12, pg13, pg18, pg25

## P R O C E E D I N G S

1  
2 CHAIRMAN STRICKLAND: Good morning, everybody.

3 I would like to call to order a series of meetings of  
4 the Board of Directors of the Legal Services  
5 Corporation. We are going to begin with a couple of our  
6 committee meetings.

7 And the first order of business, however, is I  
8 would like to recognize the presence of four of our  
9 board nominees in the audience. And I am just going to  
10 read from left to right: John Levi, from Chicago;  
11 Martha Minow, from Cambridge, Massachusetts; Gloria  
12 Valencia-Weber, from -- I'm not sure where the  
13 university is located.

14 MS. VALENCIA-WEBER: Albuquerque.

15 CHAIRMAN STRICKLAND: Albuquerque, New Mexico.

16 And Julie Reiskin, from Denver, Colorado. We welcome  
17 all of you. And we are so glad you are going to be with  
18 us for the duration of these meetings.

19 And now, let me take a survey and see who is on  
20 the telephone meeting with us today. Could you identify  
21 yourselves?

22 MS. CHILES: Good morning. This is Jonann

1 Chiles.

2 CHAIRMAN STRICKLAND: Thank you, Jonann.

3 MS. SINGLETON: Hello, this is Sarah Singleton.

4 CHAIRMAN STRICKLAND: Okay.

5 MR. MCKAY: Good morning. Mike McKay.

6 CHAIRMAN STRICKLAND: All right. Glad to have  
7 all of you. And the first meeting today is a joint  
8 meeting of the audit and finance committees. And, Mike,  
9 I think we are going to ask Herb to preside from here.  
10 It might be a little difficult for you to do it over the  
11 phone. Is that all right with you?

12 MR. MCKAY: That will be just fine, thank you.

13 CHAIRMAN STRICKLAND: All right. At this  
14 juncture, then, I will turn it over to Herb Garten, who  
15 is the chair of our audit committee, to preside at that  
16 joint meeting, which is scheduled from 11:00 to 12:00.  
17 Go ahead, Herb.

18 CHAIRMAN GARTEN: I will call to order the  
19 joint meeting of the audit committee and finance  
20 committee of Legal Services Corporation.

21 M O T I O N

22 CHAIRMAN GARTEN: And I will ask for a motion

1 for approval of the agenda.

2 MR. MEITES: So moved.

3 CHAIRMAN GARTEN: Do I have a second?

4 MS. CHILES: Second.

5 CHAIRMAN GARTEN: Thank you. At this time,  
6 we're going to move ahead in closed session to take up a  
7 number of items. I hope it will be brief, but I would  
8 assume that it's going to last at least an hour.

9 I live in Baltimore. And, as usual, the person  
10 living closest to the location comes a little late. And  
11 I didn't have an opportunity to meet with the new board  
12 members, and I hope to meet you after this meeting. But  
13 in order to conserve some time, I had some questions and  
14 with regard to our counsel regarding some of the issues  
15 that were going to be taken up in closed session.

16 M O T I O N

17 CHAIRMAN GARTEN: I will ask for a motion from  
18 the board at this time to go into closed session.

19 MR. FUENTES: Mr. Chairman, I will move that.  
20 But I wonder if you could just identify for us and for  
21 our audience who -- members who are sitting as members  
22 of the audit committee, and which members are sitting as

1 members of the finance committee.

2 CHAIRMAN GARTEN: That's fine. All right. I  
3 will ask for each member of the audit committee -- and  
4 there are three of us, including myself, to identify  
5 themselves at this time.

6 MR. MEITES: Tom Meites. I'm a member of the  
7 committee.

8 MS. CHILES: Good morning. Jonann Chiles. I'm  
9 a member of the audit committee.

10 CHAIRMAN GARTEN: All right. It is a  
11 three-person committee.

12 I will ask now for the members of the finance  
13 committee to identify themselves.

14 MR. MCKAY: Mike McKay.

15 MS. SINGLETON: Sarah Singleton.

16 MS. MIKVA: Laurie Mikva.

17 MR. FUENTES: Tom Fuentes.

18 CHAIRMAN GARTEN: And that --

19 MS. SINGLETON: Herb?

20 CHAIRMAN GARTEN: Yes?

21 MS. SINGLETON: This is Sarah Singleton. And  
22 before you vote on the closed session, I have a question

1 for legal counsel. Is he there?

2 CHAIRMAN GARTEN: He is.

3 MS. SINGLETON: Can people that need to be  
4 present in a closed session in order to conduct LSC  
5 business be present, even if attorney-client matters are  
6 being discussed?

7 MR. FORTUNO: If what we are talking about is  
8 folks that need to be present for purposes of  
9 communicating information that counsel will consider, in  
10 terms of rendering legal advice, I think that --

11 MS. SINGLETON: I'm talking -- people who might  
12 need to be present to carry on business when there is a  
13 new board.

14 MR. FORTUNO: I'm not sure that you can do that  
15 without jeopardizing the privilege. I think that until  
16 they either are the new -- are on the board, or unless  
17 they have a role to play, in terms of communicating  
18 information for purposes of obtaining advice, the advice  
19 is not to them. Because technically, at this moment,  
20 they are not the governing body. It's you folks.

21 So, I think that, while it would be desirable  
22 to have them there and hear this, to be kept apprised,

1 fully apprised, and contemporaneously apprised of what's  
2 going on, I think that you do so at the risk of waiving  
3 the privilege.

4 MS. SINGLETON: Okay, thanks.

5 CHAIRMAN GARTEN: Sarah, Vic is confirming an  
6 opinion he gave me some time ago with regard to going  
7 into closed session.

8 Does anybody on either of the committees have  
9 any comments or questions with regard to this issue?

10 (No response.)

11 MR. MEITES: I would like to second Tom's  
12 motion.

13 CHAIRMAN GARTEN: All right. Are we ready for  
14 the motion?

15 MR. FORTUNO: And if I may, Mr. Chairman, just  
16 to be clear, in order to go for a committee, or a joint  
17 meeting of two committees to occur in closed session,  
18 you need the vote of the board, a majority vote of the  
19 board.

20 So, it would not just be the committee members  
21 voting on this issue, it would be the entire board.

22 CHAIRMAN GARTEN: Okay. So, all that are on



1 the phone, or all those present constitute more than a  
2 majority of the board. And we have a motion, we have it  
3 seconded and ready to vote.

4 If so, all in favor aye, please.

5 (Chorus of ayes.)

6 CHAIRMAN GARTEN: Any opposed?

7 (No response.)

8 CHAIRMAN GARTEN: All right. The motion passes  
9 unanimately, and we will proceed to go into closed  
10 session.

11 (Whereupon, at 11:15 a.m., the meeting was  
12 adjourned to closed session. Open session resumed at  
13 12:34 p.m.)

14

15

16

17

18

19

20

21

22

1 ATTENDANCE LIST FOR CONTINUATION OF OPEN SESSION  
 2  
 3

4 COMMITTEE MEMBERS PRESENT:

5	Jonann C. Chiles	Thomas A. Fuentes
6	Herbert S. Garten	Michael D. McKay
7	Thomas R. Meites	Laurie Mikva
8	Sarah Singleton	

9 BOARD MEMBERS PRESENT:

10 Frank B. Strickland, Chair  
 11 Bernice Phillips-Jackson  
 12

13 STAFF AND PUBLIC PRESENT:

14	Charles Jeffress, LSC	Gloria Valencia-Weber, LSC
15	Mark Freedman, LSC/OLA	Julie Reiskin, LSC
16	David Levine, Groom Law	Mattie Cohan, LSC
17	Linda Perle, CLASP	John Constance, LSC
18	Karen Sarjeant, LSC	Karen Dorier, LSC
19	Matthew Glover, LSC/OIG	Tom Hester, LSC/OIG
20	Kathleen Connors, LSC/GRPA	Robert E. Stein, ABA/SCLAD
21	Julie Strandlie, ABA	Tillie Lacayo, LSC/OPP
22	Jeff Schanz, LSC/OIG	Sean Driscoll, LSC/GRPA
	Ronald Merryman, LSC/OIG	Tom Coogan, LSC/OIG
	Joel Gallay, LSC/OIG	Chuck Greenfield, LSC/OPP
	Alice Dickerson, LSC/OHR	Stephanie Edelstein, LSC/OPP
	Evora A. Thomas, LSC/OPP	David L. Richardson, LSC
	Dan Sheahan, LSC/OIG	David Maddox, LSC/OIG
	Steve Barr, LSC/GRPA	Patricia Batie, LSC/OLA
	Katherine Ward, LSC-OLA	Terry Brooks

## P R O C E E D I N G S

1  
2           CHAIRMAN GARTEN: We will proceed now with the  
3 open session.

4           And we have had some discussion on item four,  
5 which is, "Consider and act on recommendations to make  
6 to the board related to what action to take on proposed  
7 resolutions revising LSC's 403(b) thrift plan with  
8 regard to the minimum hours required for participation,  
9 related conforming amendments to the LSC employee  
10 handbook, and amendments to the LSC employee handbook  
11 regarding a merger of LSC's TDA and 403(b) thrift  
12 plans."

13           We have broken -- the resolutions, Charles,  
14 around what page?

15           MR. JEFFRESS: The first resolution is on page  
16 12. And the second resolution is on page 13 in the  
17 board book.

18           CHAIRMAN GARTEN: Okay. We have had  
19 discussions with -- regarding the matters covered by  
20 these resolutions. Is there any -- before we ask for  
21 the motions, is there any further discussion that any of  
22 the committees -- that is, audit committee or finance

1 committee -- would like to cover at this time?

2 (No response.)

3 M O T I O N

4 CHAIRMAN GARTEN: If not, I will ask for a  
5 motion on the adoption -- or rather, the recommendation  
6 to the board on the adoption -- of a resolution  
7 appearing on page 12 of our book. May I have such a  
8 motion?

9 (No response.)

10 CHAIRMAN GARTEN: This -- I might say that  
11 there is going to be a slight modification to the  
12 resolution to clarify the 1,000 hours, and we are going  
13 to have that by the time of the board meeting.

14 MR. JEFFRESS: Yes, Mr. Chairman.

15 CHAIRMAN GARTEN: All right.

16 MR. MEITES: I move that -- I move we recommend  
17 adoption.

18 CHAIRMAN GARTEN: Second?

19 MS. MIKVA: Second.

20 CHAIRMAN GARTEN: All right. Ready for vote.

21 All in favor, aye, please.

22 (Chorus of ayes.)

1 CHAIRMAN GARTEN: All right. Any opposed?

2 (No response.)

3 CHAIRMAN GARTEN: The resolution passes.

4 The next resolution, appearing on page 13,  
5 deals with amendments to the employee handbook regarding  
6 thrift plans. Any questions or discussions regarding  
7 this resolution?

8 (No response.)

9 M O T I O N

10 CHAIRMAN GARTEN: If not, may I have a motion  
11 recommending to the board the adoption?

12 MR. FUENTES: Moved.

13 CHAIRMAN GARTEN: All right. Second?

14 MR. MEITES: Second.

15 CHAIRMAN GARTEN: Ready for the vote? All in  
16 favor, aye, please.

17 (Chorus of ayes.)

18 CHAIRMAN GARTEN: Any opposed?

19 (No response.)

20 CHAIRMAN GARTEN: All right. The resolution  
21 passes.

22 We now come to item five of the joint committee

1 meeting, "Consider and act on recommendation to be made  
2 to the board regarding proposed use of the LSC  
3 president's discretionary fund. Helaine?

4 MS. BARNETT: Chairman Garten, I distributed to  
5 the directors at their table this morning a copy of my  
6 proposed proposal, and I sent by email to the members of  
7 the board that are participating in this call by phone.  
8 And I understand there are copies in the back of the  
9 room for members of the audience.

10 There is a balance remaining in the president's  
11 discretionary fund of \$16,489.31, as of October 30th.  
12 Pursuant to the board protocol, which is in your board  
13 book, regarding the use of private contributions, I  
14 would like to propose the following for board approval,  
15 that this fund be used for the creation of a summer  
16 intern fellowship program for a law student to work at  
17 LSC.

18 The fellowship program would be called the  
19 Nahmad Summer Intern Fellowship Program, named after the  
20 donor. The eligibility criteria for the program would  
21 be for a first or second-year law student at the New  
22 York University School of Law, which has a major focus

1 on public interest law. And the program would be  
2 designed to mentor qualified and committed law students  
3 from NYU School of Law who are interested in pursuing a  
4 career in civil legal services for the poor.

5 The fellow would receive \$8,200 for a 10-week  
6 internship at LSC during the summer months. We propose  
7 one fellow for each of two years. The student would  
8 work through rotating in the offices at LSC of the  
9 office of program performance, office of compliance  
10 enforcement, office of legal affairs, and government  
11 relations and public affairs.

12 The selection committee for the fellowship  
13 would consist of the dean of NYU Law School, LSC's vice  
14 president of programs, and me. The committee would  
15 interview at least three students, and make a  
16 recommendation to the LSC president.

17 If there is board approval, we would advertise  
18 this fellowship opportunity in this coming December for  
19 the summer of 2010.

20 CHAIRMAN GARTEN: Helaine, you might advise us  
21 as to the original contribution that was made by the  
22 gentleman who was a friend of yours, as I understand.

1 And tell us a little bit about it, and the original sum.

2 MS. BARNETT: As the board may recall, we  
3 received a check for \$25,000. And in the covering note,  
4 it said, "This is a contribution for the discretionary  
5 fund of Helaine Barnett, as president of LSC. She does  
6 remarkable work, and her dedication deserves all the  
7 support."

8 Of the \$25,000, as you all may recall, some  
9 \$3,200 was -- I asked permission to support the Capitol  
10 Hill reception, where we advanced federal funds because  
11 we had no private funds. And the minute this  
12 contribution came in, I designated those funds to pay  
13 back the cost for that reception.

14 The second cost was less than \$6,000, when we  
15 had our all-executive director conference in June of  
16 2008. We had a special showing, an opening at the  
17 National Archives, just for the executive directors of  
18 LSC-funded programs that evening. We had a private  
19 tour, and we got to see the original LSC act, amongst  
20 other wonderful things in the National Archives. And I  
21 authorized the payment of under \$6,000 to support that  
22 initiative.



1           This deals with the remaining amounts in that  
2           discretionary fund.

3           CHAIRMAN GARTEN:   And I might say that the  
4           board issued a statement as to the use of the funds, and  
5           authorized the use that you've described at board  
6           meetings.

7           And I don't recall us ever learning of any  
8           other private funds that have been contributed to LSC.  
9           And they came in very handy, because there are certain  
10          things where federal funds couldn't be used, such as for  
11          the reception on the Hill.   We were able to tap into  
12          this fund, which was so generously set up by your close  
13          friend.

14          And on our books, as I recall, it did refer to  
15          it as the Helaine M. Barnett Discretionary Fund, which  
16          you very generously now would like to utilize for the  
17          purposes you've just had, and I will consider your  
18          report as in the nature of a resolution that would  
19          incorporate the proposal dated November 30, 2009, if  
20          that's agreeable to you.

21          MS. BARNETT:   Thank you, Mr. Chairman.

22          //

## M O T I O N

1  
2 CHAIRMAN GARTEN: All right. Can I have a  
3 motion to that effect?

4 MS. PHILLIPS: Before you make your motion, I  
5 was thinking -- great idea. I was just thinking that it  
6 would probably be more needed in the programs that we  
7 serve. Maybe an intern could do their internship at a  
8 program.

9 Hearing from different programs that we visit,  
10 all the programs are stressed over personnel. And we do  
11 have this -- just this gap document out there, where  
12 every client is served one is turned away. I think it's  
13 a great idea for interns to come and work at LSC, but I  
14 think what would be more effective would be the interns  
15 working in the programs, or doing their internships in  
16 the programs. Thank you.

17 CHAIRMAN GARTEN: Any other discussion?

18 MS. SINGLETON: I have two questions, Mr.  
19 Chairman, if I may.

20 CHAIRMAN GARTEN: Yes, Sarah?

21 MS. SINGLETON: I don't recollect that I ever  
22 heard the name of the donor before. And for some

1 reason, I thought it was confidential. And I just want  
2 to make sure that Helaine has checked with this  
3 gentleman to be sure he wants his name associated with  
4 any fellowship.

5 MS. BARNETT: I will be certain to do that.

6 MS. SINGLETON: And my second question is when  
7 we have interns like this, are they eligible for any  
8 benefits, such that the \$8,200 isn't going to totally  
9 cover everything that LSC would be responsible for  
10 paying them?

11 MR. JEFFRESS: Charles Jeffress is just coming  
12 to the table to answer your question, Sarah.

13 MS. SINGLETON: Thank you.

14 MR. JEFFRESS: Thank you, Sarah. This is  
15 Charles Jeffress, chief administrative officer.

16 We normally do hire interns as temporary  
17 employees. And so the \$8,200 would go to cover more  
18 than just the salary. There was a request that we  
19 explore with NYU doing this on a fellowship basis  
20 through NYU, as opposed to a temporary employee basis  
21 through LSC, and we will explore that.

22 So, I don't know if, at this moment, precisely

1     how to answer your question.  If it's done on a  
2     fellowship through NYU, there may be a different  
3     arrangement than the normal temporary employee status  
4     through LSC.

5             MS. SINGLETON:  And so I --

6             CHAIRMAN GARTEN:  My --

7             MS. SINGLETON:  Oh, go ahead.  I'm sorry, I  
8     thought --

9             CHAIRMAN GARTEN:  No, go ahead, Sarah.

10            MS. SINGLETON:  No, I was just going to say I  
11     would assume the motion means to include the \$8,200 as a  
12     total cost, as opposed to necessarily salary for the  
13     intern.

14            CHAIRMAN GARTEN:  That's my understanding of  
15     the resolution.

16            MR. MEITES:  As far as I can tell, this is just  
17     a two-year program.  Is there any means to continue it?  
18     I think it's an excellent idea.  And if we start it, I  
19     just want to know if there is any way it could be  
20     continued.

21            MS. BARNETT:  Perhaps there could be a  
22     solicitation, based on the fact that we had this initial

1 one, and would others like to give to it. But there is  
2 nothing currently.

3 MR. MEITES: Given our changes in our  
4 procedures for contributions, can we solicit -- or not  
5 "we" -- can contributions be solicited to continue this  
6 program?

7 CHAIRMAN GARTEN: Well, first of all, I would  
8 like to point out that this is a discretionary fund. It  
9 was set up and the board approved it in the discretion  
10 of our president, and she has made a proposal.

11 MR. MEITES: Right.

12 CHAIRMAN GARTEN: There is nothing that I know  
13 of to prevent Legal Services Corporation in the future  
14 of --

15 MR. MEITES: Funding this?

16 CHAIRMAN GARTEN: -- funding this, and seeking  
17 outside contributions. We do have a policy that we set  
18 up at the time of this contribution --

19 MR. MEITES: Yes, every --

20 CHAIRMAN GARTEN: -- for \$25,000. It's on the  
21 books.

22 MR. JEFFRESS: Mr. Chairman --

1           CHAIRMAN GARTEN: And that should be part of  
2 your orientation meeting.

3           MR. JEFFRESS: It's included in your board book  
4 on page five, as the protocol for acceptance and use of  
5 private contributions, and it does discuss under what  
6 conditions solicitation may be made. So, it is  
7 permissible, according to board policy.

8           CHAIRMAN GARTEN: I would think so.

9           MR. MEITES: Thank you.

10          CHAIRMAN GARTEN: All right. Any further  
11 discussions or questions?

12          MS. MIKVA: This is Laurie Mikva. I would just  
13 ask whether we want to consider, and whether Helaine  
14 would consent to having her name perhaps added to the  
15 name of the fund.

16          CHAIRMAN GARTEN: I think it has a lot of  
17 merit. I have to say I was going to suggest that since  
18 it had been set up in her name to begin with by the  
19 donor, that if the donor has no problem, it would either  
20 be joint names, as you suggest, or your individual name,  
21 Helaine. But I will leave that to your discretion.

22          MR. MEITES: No, I would do more than that. I

1 would like -- I agree with Laurie's suggestion. I would  
2 like to see if it could be the sense of the board that  
3 if it can be done, that it be -- that Helaine's name be  
4 included in the program.

5 You know, Herb, you're not the only one who got  
6 naming rights. We really want to --

7 (Laughter.)

8 CHAIRMAN GARTEN: By the end of this meeting,  
9 we're going to have something for you.

10 (Laughter.)

11 CHAIRMAN GARTEN: I'm going to rely on the  
12 other Tom to come up with it.

13 All right. So, let's add that to the adoption  
14 of the November 30, 2009, with the suggestion to the  
15 board that it also take cognizance of the fact that  
16 Helaine's name be associated with it in some fashion.  
17 Is that satisfactory?

18 MR. MEITES: Yes.

19 CHAIRMAN GARTEN: All right. Ready for the  
20 vote? All in favor, aye, please.

21 (Chorus of ayes.)

22 CHAIRMAN GARTEN: Any opposed?

1 (No response.)

2 CHAIRMAN GARTEN: Carries. Recommendation will  
3 be given to the board.

4 Is there any other business that should be  
5 acted upon at this meeting, the combined meeting of the  
6 audit and finance committee?

7 (No response.)

8 CHAIRMAN GARTEN: Mike, do you have anything?

9 (No response.)

10 CHAIRMAN GARTEN: Mike?

11 (No response.)

12 CHAIRMAN GARTEN: Okay. Any other board  
13 members have any -- is there any public comment?

14 (No response.)

15 CHAIRMAN GARTEN: I don't see any --

16 MR. MCKAY: I -- Mr. Chairman, I did have one  
17 thing I wanted to say. I was on mute, to try to help  
18 facilitate the good reception here on the telephone.  
19 But I want to thank you very much for doing an  
20 outstanding service as chair today.

21 I also would like to thank counsel, who  
22 assisted us leading into this meeting, and helped us in



1 the closed session. I just think they've been doing  
2 very great work.

3 CHAIRMAN GARTEN: I think we all feel the same  
4 way, and thank you very much for your wonderful advice  
5 and services.

6 Any other public comment?

7 (No response.)

8 M O T I O N

9 CHAIRMAN GARTEN: If not, I will consider a  
10 motion to adjourn.

11 MR. FUENTES: So moved.

12 CHAIRMAN GARTEN: Second?

13 MR. MEITES: Second.

14 CHAIRMAN GARTEN: All in favor?

15 (Chorus of ayes.)

16 CHAIRMAN GARTEN: Meeting is adjourned.

17 (Whereupon, at 12:50 p.m., the meeting was  
18 adjourned.)

19

20

21

22