

LEGAL SERVICES CORPORATION  
BOARD OF DIRECTORS

MEETING OF THE  
BOARD OF DIRECTORS

OPEN SESSION

Saturday, January 30, 2010

11:50 a.m.

Legal Services Corporation  
3333 K Street, N.W.  
3rd Floor Conference Center  
Washington, D.C. 20007

BOARD MEMBERS PRESENT:

- Frank B. Strickland, Chairman
- Michael D. McKay, Vice Chairman
- Jonann C. Chiles
- Thomas A. Fuentes
- Herbert S. Garten
- Thomas R. Meites
- Bernice Phillips-Jackson
- Sarah M. Singleton (by telephone)
- Victor M. Fortunato, Interim President and General  
Counsel (ex officio)

1 STAFF AND PUBLIC PRESENT:

2  
3 Mattie Cohan, Senior Assistant General Counsel, Office  
4 of Legal Affairs

5 David L. Richardson, Treasurer and Comptroller

6 Charles Jeffress, Chief Administrative Officer

7 Karen J. Sarjeant, Vice President for Programs and  
8 Compliance

9 Jeffrey E. Schanz, Inspector General

10 Joel Gallay, Special Counsel to the Inspector General,  
11 Office of the Inspector General

12 Laurie Tarantowicz, Assistant Inspector General and  
13 Legal Counsel, Office of the Inspector General

14 Thomas Coogan, Assistant Inspector General for  
15 Inspections, Office of the Inspector General

16 Daniel Sheahan, Program Evaluation Analyst, Office of  
17 the Inspector General

18 Charles Greenfield, Program Counsel III, Office of  
19 Program Performance

20 Sean Driscoll, Special Assistant, Government Relations  
21 and Public Affairs Office

22 John Constance, Director, Government Relations and  
Public Affairs Office

Stephen Barr, Media Relations Director, Government  
Relations and Public Affairs Office

Alice C. Dickerson, Director, Office of Human Resources

John G. Levi, Board Nominee (by telephone)

Julie A. Reiskin, Board Nominee

Julie Strandlie, Standing Committee on Legal Aid &  
Indigent Defendants (SCLAID), American Bar  
Association

Don Saunders, National Legal Aid and Defenders  
Association (NLADA)

Linda Perle, Center for Law & Social Policy (CLASP)

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

(11:50 a.m.)

CHAIRMAN STRICKLAND: Good morning, everyone.

I will now call to order a meeting of the board of directors of the Legal Services Corporation for January 30, 2010, pursuant to notice published in the Federal Register.

The first item of business is to approve the agenda. Is there a motion to approve the agenda?

## M O T I O N

MR. FUENTES: So move.

CHAIRMAN STRICKLAND: Second?

MR. McKAY: Second.

CHAIRMAN STRICKLAND: Any discussion?

(No response.)

CHAIRMAN STRICKLAND: Those in favor please say aye.

(A chorus of ayes.)

CHAIRMAN STRICKLAND: Opposed, nay.

(No response.)

CHAIRMAN STRICKLAND: The agenda is adopted.

The next two items I'd like to take up

1 together, approve the minutes of the board's open  
2 session meeting of October 31, 2009 and a telephonic  
3 meeting of the board of November 23, 2009. Those are  
4 at pages 177 and 182 of the board book.

5 Is there a motion to approve those minutes?

6 M O T I O N

7 MR. FUENTES: Move approval as submitted of  
8 items 2 and 3.

9 CHAIRMAN STRICKLAND: A second?

10 MR. McKAY: Second.

11 CHAIRMAN STRICKLAND: Thank you. Is there any  
12 discussion?

13 (No response.)

14 CHAIRMAN STRICKLAND: All in favor, please say  
15 aye.

16 (A chorus of ayes.)

17 CHAIRMAN STRICKLAND: Opposed, nay.

18 (No response.)

19 CHAIRMAN STRICKLAND: The minutes are  
20 approved.

21 MR. McKAY: Mr. Chairman?

22 CHAIRMAN STRICKLAND: Yes, sir?

1           MR. McKAY: I notice that there is no -- there  
2 are no proposed minutes for our December 22, 2009  
3 telephonic conference or meeting to appoint an interim  
4 president. And I'm wondering if we could for our next  
5 meeting have those minutes prepared. I think it's  
6 important that we have a record of that.

7           CHAIRMAN STRICKLAND: Yes, we could. I can't  
8 explain why those are not part of the minutes. But we  
9 would ask Mr. Fortuno if he could arrange for that to  
10 take place.

11          MR. FORTUNO: Absolutely.

12          CHAIRMAN STRICKLAND: Okay. Good.

13          The next item is consider and act on  
14 nominations for the chairman of the board of directors  
15 and vice chairman of the board of directors. I'm  
16 wondering if we might be able to take up those items  
17 together. Are there nominations?

18          MR. FUENTES: Mr. Chairman. Mr. Chairman?

19          CHAIRMAN STRICKLAND: Yes, sir?

20                                   M O T I O N

21          MR. FUENTES: It gives me great pleasure to  
22 once again offer to the body the nomination of the

1 gentleman from Georgia due to his outstanding  
2 performance and leadership of this body; and further,  
3 to nominate the gentleman from the great state of  
4 Washington. And in this context, I would remind you  
5 that the state of Washington is the only state named  
6 for our founding father.

7 I place in nomination the reelection of  
8 Chairman Frank Strickland and Vice Chairman Michael  
9 McKay to the leadership of the Legal Services  
10 Corporation.

11 MS. CHILES: I'd like to second that motion.

12 MR. MEITES: I've prepared three or four  
13 pages --

14 (Laughter.)

15 MR. MEITES: -- readied the flames in my hand  
16 that no longer exist. So I have nothing to add.

17 CHAIRMAN STRICKLAND: Well, I'm totally  
18 surprised. Well, thank you very much, Mr. Fuentes.  
19 Are there any other nominations?

20 (No response.)

21 CHAIRMAN STRICKLAND: Hearing none, I'll  
22 declare that nominations are closed. And all in favor



1 of Mr. Fuentes' -- any discussion on Mr. Fuentes'  
2 motion?

3 (No response.)

4 CHAIRMAN STRICKLAND: Hearing non, let's  
5 proceed to a vote. All in favor of the motion please  
6 say aye.

7 (A chorus of ayes.)

8 CHAIRMAN STRICKLAND: Opposed, nay.

9 (No response.)

10 CHAIRMAN STRICKLAND: The ayes have it. And  
11 those nominations are confirmed, and elections are  
12 confirmed.

13 MR. FUENTES: Thank you.

14 CHAIRMAN STRICKLAND: And thank you very much,  
15 Tom, for your nomination and the manner in which you  
16 delivered it.

17 As a formality, we also need to consider and  
18 act on delegation to the chairman of authority to make  
19 committee assignments, which we have done annually  
20 during our tenure on the board. Is there a motion to  
21 that effect?

22 MR. FUENTES: Move the recommended

1 action -- excuse me.

2 M O T I O N

3 MR. McKAY: Mr. Chairman, I move that we  
4 delegate to the chapter the authority to make committee  
5 assignments.

6 CHAIRMAN STRICKLAND: Is there a second?

7 MR. FUENTES: Second.

8 CHAIRMAN STRICKLAND: Any discussion?

9 (No response.)

10 CHAIRMAN STRICKLAND: Those in favor please  
11 say aye.

12 (A chorus of ayes.)

13 CHAIRMAN STRICKLAND: Opposed, nay.

14 (No response.)

15 CHAIRMAN STRICKLAND: The ayes have it and  
16 that matter is adopted.

17 The chairman's report: I think there is none.  
18 Everything we're doing seems to speak for itself, so I  
19 don't have anything to add to that.

20 But I will ask if any members have individual  
21 reports they would like to make to the board at this  
22 time.

1 (No response.)

2 CHAIRMAN STRICKLAND: All right. Hearing  
3 none, we have disposed of that item.

4 Mr. Fortuno, we'll turn to you for the first  
5 report in your capacity as our interim President.

6 MR. FORTUNO: And I have a very, very short  
7 report.

8 Our FY 2010 appropriation we now have. We've  
9 all been informed as to the particulars of that. We  
10 did sent out a communication to the field back on  
11 January 7th of this year informing them that the  
12 increase in basic field by 7.8 percent to \$394,400,000  
13 for FY 2010 is being distributed.

14 We don't do it by check any more; it's  
15 electronic transfer. But the transfers for the month  
16 of February will reflect the new funding level, the  
17 2010 funding level annualized over 12 months, and a  
18 catch-up payment for the November through January  
19 retroactive increases.

20 So those are -- I don't know if David's in the  
21 room and can tell us whether they've gone out or are  
22 about to go out.

1 MR. RICHARDSON: They have gone out.

2 MR. FORTUNO: They have gone out.

3 And as to our FY 2011 appropriation, in  
4 accordance with the request recommended by the finance  
5 committee and then approved by the board, we consistent  
6 with that prepared a formal request document, which was  
7 distributed to the board yesterday and submitted to  
8 Congress last night.

9 In addition, the two reauthorization bills  
10 that we have pending, one in the House and one in the  
11 Senate, we have been advised that the House is likely  
12 to proceed on H.R. 3764, which is the House  
13 reauthorization bill for LSC, without a further  
14 hearing, and that a subcommittee markup of the bill  
15 could occur as early as February.

16 As to the Senate bill, which is before the  
17 Health, Education, Labor & Pensions Committee, they've  
18 not announced any committee action on that bill, which  
19 is S.718, the Senate version of the bill.

20 On our -- and this relates back to the 2011  
21 appropriations request -- we've been informed that our  
22 House appropriations subcommittee will hold a hearing

1 on our request on February 24th. I will be meeting  
2 with Chairman Mollohan on February 3rd in preparation  
3 in anticipation of that.

4 I also want to inform everyone that we are  
5 fortunate enough to have the Attorney General of the  
6 United States now lined up to participate in our Black  
7 History Month celebration, which is scheduled for  
8 March 2nd. As you all know, Eric Holder is the first  
9 African American Attorney General, and seemed like a  
10 fitting figure to have join us and maybe deliver -- not  
11 maybe; he will be delivering a few remarks. So we're  
12 very much looking forward to that.

13 And I said I'd keep it short. But I'd be  
14 remiss if, while they're not in the room, I think there  
15 are certain employees who have really contributed to  
16 this meeting. They've been behind the scenes. They've  
17 been working above and beyond the call of duty.

18 These are not tasks that are in their  
19 occupational profiles, but they came to us and said  
20 that they wanted to contribute as best they could.  
21 They're the ones who are responsible for all the  
22 niceties -- the skirts on the tables, our lunches,

1 things running as smoothly as they have been.

2 I'd like to name them. And they're Diane  
3 Rouse, who's been with us since LSC was LSC -- it was  
4 the old OEO days; Lucille Polk; and Jean Edwards. I  
5 don't think they're in the room, but I just thought it  
6 appropriate to take a moment to thank them for their  
7 enthusiasm, their efforts, and what they've contributed  
8 to this meeting.

9 (Applause)

10 MR. FORTUNO: And with that, I've completed my  
11 report.

12 CHAIRMAN STRICKLAND: Does anyone have  
13 questions for Vic?

14 MR. McKAY: Just a quick comment.

15 CHAIRMAN STRICKLAND: Yes, sir.

16 MR. McKAY: I want to compliment Vic on the  
17 manner in which he stepped into a fairly difficult  
18 situation, coming from the inside and taking over on  
19 fairly short notice.

20 I really like the style in which you've  
21 handled things. I think you have -- I want to make  
22 sure you know you have the strong support of the board,

1 and as far as I can tell, from the nominees in my  
2 discussions with Mr. Levi and his colleagues.

3 I'm also impressed, and just found out in the  
4 last day or so, that one of the reasons the Attorney  
5 General will be visiting Legal Services, the first time  
6 in the history of the Corporation, is because of your  
7 personal relationship with the Attorney General. You  
8 went to school with him, undergraduate school and law  
9 school, and we sure appreciate the use of those  
10 contacts to help further the cause of Legal Services.  
11 So good work. Thank you.

12 MR. FORTUNO: Thank you very much.

13 CHAIRMAN STRICKLAND: Thank you, Vic.

14 The next item on our agenda -- we'll take this  
15 up before lunch -- is the inspector general's report.  
16 So I'll call on Jeff Schanz for that.

17 MR. SCHANZ: I'd like to keep this short in  
18 the interest of the rocket docket.

19 I brought with me one of my new hires, one of  
20 my most impressive hires, Dan Sheahan, who has done a  
21 lot of IT-type work for us as well as planning work.  
22 He distributed to you a little bit earlier, and I hope

1 you have it within reach, our proposed FY 2010 work  
2 plan.

3 We have an ambitious schedule. As always, I  
4 invite any member of the board to offer suggestions for  
5 reviews based on your broad legal experience and your  
6 experience within the LSC, anything that you think that  
7 the OIG, independently and objectively, can bring to  
8 the board for your decision-making or your management  
9 responsibilities.

10 We do have a PowerPoint. I won't go through  
11 that, although I'm very pleased that Dan can do that  
12 because I can't. So we'll just -- the PowerPoint  
13 presentation is what you have in the documents in front  
14 of you. I'd invite your review of that. And if you  
15 have any comments, suggestions, or, better off,  
16 recommendations, please contact either Dan or myself.

17 That pretty much sums it up. I'll give you a  
18 little more detail. The OIG of the LSC is becoming a  
19 bit of a -- I don't want to say quite a force, but  
20 we're being recognized for our professional products  
21 within what's known as the CIGIE, the Council for  
22 Inspectors General for Integrity and Efficiency. I



1 fend quite frequently requests for volunteers because  
2 of the reputation that we've established within pretty  
3 much six months since the IG Reform Act of 2008 has  
4 passed.

5 So we've become very well recognized as being  
6 experts, accountability experts in the areas of audit,  
7 investigation, and particularly peer reviews, at least  
8 where they're asking for our assistance.

9 I as a manager balance the requests for  
10 visibility and for playing well with others. But  
11 the reality is the OIG I left, which comes from  
12 Mr. Holder's Department of Justice, was 440 persons  
13 strong, where volunteerism was a lot more than what I  
14 can do with my staff.

15 So I've resisted the urge to say, oh, sure, we  
16 can do that, because technically and competently, we  
17 can; practically, I don't want to diffuse the OIG to  
18 too many different places at this particular time,  
19 particularly with a new board coming in.

20 So with that said, I don't know when I'll see  
21 the entire board again. But I've appreciated your  
22 support and your interest in the activities of my

1 office. And I will make a difference in the LSC  
2 through help of capable assistants such as Dan. So I  
3 thank you for your support and your help through the  
4 years. Thank you.

5 CHAIRMAN STRICKLAND: Well, we thank you,  
6 Jeff. And let me ask if any board members have  
7 questions for Jeff. Mike?

8 MR. MCKAY: Just a comment, Mr. Chairman. I  
9 took Jeff aside this morning and asked him if he was  
10 continuing the good practice that he and Helaine  
11 Barnett had of having lunch on a regular basis? Was it  
12 lunch every two weeks or every --

13 MR. SCHANZ: Yes.

14 MR. MCKAY: -- every two weeks, which I  
15 thought was good. I was pleased to hear that they do  
16 not because apparently Jeff and Vic are meeting  
17 practically every day. And I think that was very good  
18 to hear, and I wanted to report that to the board, and  
19 applaud that open communication.

20 MR. SCHANZ: One correction, though,  
21 Mr. McKay. It was not something as good as lunch. I  
22 had to eat Power Bars quickly before the meeting so I

1 could sustain myself.

2 (Laughter.)

3 MR. FORTUNO: I know exactly how you feel.

4 CHAIRMAN STRICKLAND: It's important to note  
5 those things on the record.

6 MR. GARTEN: Jeff -- may I?

7 CHAIRMAN STRICKLAND: Yes, sir.

8 MR. GARTEN: Since I hope this is our last  
9 formal board meeting, I do want to thank you for the  
10 cooperation you've extended to me personally, the audit  
11 committee, and the board since the time we first came  
12 here.

13 And I particularly want to thank you for your  
14 comments today with regard to the matters involving  
15 extending the audit committee to our grantees. I  
16 thought they were well-delivered, well thought of, and  
17 something that I concurred with completely.

18 So good luck, and I hope that we meet again  
19 soon. I fully expect we won't be here for the next  
20 board meeting, but who knows. I had to wait one year  
21 and three months.

22 MR. SCHANZ: Okay. Well, hopefully not as

1 opposing counsel.

2 CHAIRMAN STRICKLAND: Before we move to the  
3 next -- anything else, Jeff?

4 MR. SCHANZ: No, sir.

5 CHAIRMAN STRICKLAND: Okay. Thank you very  
6 much.

7 MR. SCHANZ: Thank you for your time and  
8 attention.

9 CHAIRMAN STRICKLAND: And welcome, Dan. We're  
10 glad to have it.

11 MR. SHEAHAN: Thank you. Appreciate it.

12 CHAIRMAN STRICKLAND: Before we move to the  
13 next item, I want to take a moment to express the  
14 appreciation of the board for the outstanding effort by  
15 a large number of people in presenting the orientation  
16 to our board nominees.

17 I thought that was a great effort. I think  
18 all of them appreciated it very much. It is not  
19 something this board had when we came into office in  
20 2003. We just sort of had to learn it on the fly.

21 So I think it's much better -- even though  
22 it's a very big dose for people to swallow, I think

1 it's better for them to hear it and start thinking  
2 about things associated with LSC. And the printed  
3 materials were outstanding, as were the actual  
4 presentations.

5 We also had an opportunity to have a  
6 freewheeling exchange from board members to nominees in  
7 a closed session, and I think that was also valuable,  
8 as were our dinners together. We've had three dinners,  
9 at which most of the nominees were present.

10 I think they've all left on account of the  
11 weather, but -- no. I beg your pardon. Julie is still  
12 with us. But we were glad to have all of them there.  
13 And I did want to express that appreciation to  
14 everybody involved in the orientation program.

15 Let's take up one item of committee reports  
16 from the provision for the delivery of legal services  
17 committee. The agenda for that committee is found on  
18 page 85 of the board book; in the absence of the chair  
19 of that committee, let me just refer you to that page.

20 And during the meeting of that committee, the  
21 committee received a report from Karen Sarjeant for the  
22 items listed under item 3 on the agenda on page 85.

1 And I don't think they took any action. So let's  
2 consider that to be the report of that committee.

3 MR. FUENTES: Mr. Chairman?

4 CHAIRMAN STRICKLAND: Yes, sir?

5 MR. FUENTES: Before Laurie left, she asked if  
6 I might report for her.

7 CHAIRMAN STRICKLAND: Oh, I didn't realize  
8 that.

9 MR. FUENTES: And left notes for me. First of  
10 all, on behalf of the committee, we do want to thank  
11 Karen Sarjeant for an outstanding presentation on  
12 several points. And your direction is well taken to  
13 refer to page 85 because the topics which she discussed  
14 are all outlined there.

15 Further, the board -- the committee took two  
16 specific actions, and that was, one, to recommend to  
17 the board that the Office of the President should,  
18 twice a year, develop a set of talking points for the  
19 board review and for the potential use for public  
20 presentations, should they so desire.

21 M O T I O N

22 MR. FUENTES: And so I would move at this time

1 that the board so direct the Office of the President.

2 CHAIRMAN STRICKLAND: All right. Is there a  
3 second to that motion?

4 MS. PHILLIPS-JACKSON: Second.

5 CHAIRMAN STRICKLAND: Any further discussion?

6 (No response.)

7 CHAIRMAN STRICKLAND: All those in favor of  
8 the motion, please say aye.

9 (A chorus of ayes.)

10 CHAIRMAN STRICKLAND: Opposed, nay.

11 (No response.)

12 CHAIRMAN STRICKLAND: The ayes have it and the  
13 motion is adopted.

14 MR. FUENTES: Thank you. Second, the  
15 committee considered a proposal to consider -- to  
16 recommend to the board to consider the changing of the  
17 committee name from the provision for the delivery of  
18 legal services committee to the promotion and provision  
19 for the delivery of legal services committee.

20 Originally I offered this with the intent to  
21 give emphasis to our recognition of the overall role  
22 of Legal Services Corporation beyond just the

1 appropriation of funds, but also to encourage in the  
2 broadest way the pro bono and community involvement to  
3 assist the poor.

4 M O T I O N

5 MR. FUENTES: It was voted on by the  
6 committee, and the recommendation is to the board to  
7 consider the change of the name of the committee to  
8 include the word "promotion and." And I so move.

9 MS. PHILLIPS-JACKSON: Second.

10 CHAIRMAN STRICKLAND: All right. Any  
11 discussion on that motion?

12 MR. GARTEN: Yes.

13 CHAIRMAN STRICKLAND: Herb?

14 MR. GARTEN: I voted in opposition to the  
15 change of the name, and suggested that perhaps the  
16 matter be referred back to management to come up with a  
17 word that would better describe what the intent of  
18 Tom's motion would be.

19 In the interim, I also looked at our charter  
20 for this committee. And I think that we could  
21 accomplish the spirit of what Tom is suggesting by  
22 amending the purpose of the charter of the committee by



1 adding the words, after "provision of legal services to  
2 the poor," the words, "including pro bono services by  
3 lawyers."

4 The purpose -- as stated, the purpose of the  
5 committee as presently written shall be "to promote  
6 continuous and ongoing improvement in the provision of  
7 legal services to the poor." And I would insert,  
8 "including pro bono services by lawyers, and to make  
9 recommendations to the board when appropriate."

10 So the promotion is covered in the charter  
11 that exists and was voted by. And I think it would be  
12 a mistake at this point to change the name of a  
13 committee that has been in existence, I would assume,  
14 since the inception of Legal Services Corporation.

15 So I oppose the motion.

16 CHAIRMAN STRICKLAND: Are you speaking against  
17 the motion?

18 MR. GARTEN: Yes.

19 CHAIRMAN STRICKLAND: Are you trying to amend  
20 it?

21 MR. GARTEN: I would suggest amending it, if  
22 it was accepted. And have you changed your feeling on

1 this since yesterday?

2 MR. FUENTES: Well, I have not, Mr. Chairman.

3 CHAIRMAN STRICKLAND: Go ahead.

4 MR. FUENTES: I believe that the inclusion of  
5 the word "promotion" offers a public vision of the  
6 commitment of this board to a broader role of  
7 leadership to encourage pro bono and community  
8 participation in delivering legal services to the poor.

9 I think that it is potentially lost within the  
10 text that Herb suggests. I would also correct for the  
11 record, Herb, that you did not vote against it because  
12 you were not a member of the committee. You had an  
13 opinion.

14 MR. GARTEN: I apologize for that mistake.

15 MR. FUENTES: No reason. Just wanted, for the  
16 record. The committee voted three to one to recommend  
17 this to the full board. I believe that there is a  
18 great importance in us signaling to the world in this  
19 era of commitment by the President of the United States  
20 to a freeze in federal spending, as delivered in his  
21 White House address, to the reality that it takes more  
22 than just federal funds to meet the needs of our poor

1 neighbors, that we need to be promoting within the  
2 towns and villages of America an involvement in the  
3 delivery of equal access to justice by all Americans.

4 And therefore, I call the question on the  
5 proposal.

6 CHAIRMAN STRICKLAND: All right. Any  
7 other -- never mind. The question has been called.  
8 All those in favor of the motion, please say aye.

9 (A chorus of ayes.)

10 CHAIRMAN STRICKLAND: Okay. We'll have to  
11 figure out another way to get it. I can't tell how  
12 many people -- let's try that again. All those in  
13 favor say aye.

14 (A chorus of ayes.)

15 CHAIRMAN STRICKLAND: And is Sarah on the  
16 phone?

17 MS. SINGLETON: Yes, I am.

18 CHAIRMAN STRICKLAND: Okay. That's four.

19 MS. SINGLETON: I voted aye.

20 CHAIRMAN STRICKLAND: Okay. We counted you.  
21 I didn't vote. So any opposed?

22 MR. GARTEN: Opposed.

1 MR. MEITES: Not voting.

2 CHAIRMAN STRICKLAND: Not voting? Okay. The  
3 motion passes.

4 Anything else from the provisions committee?

5 MR. FUENTES: That's all, Mr. Chairman. Thank  
6 you.

7 CHAIRMAN STRICKLAND: Thank you very much.

8 All right. We're now at 12:15. Why don't we  
9 now adjourn for lunch in the fourth floor conference  
10 room, and try to get back here in about 30 minutes or  
11 so. And we'll reconvene at item 12 on the agenda.

12 (Whereupon, at 12:14 p.m., a luncheon recess  
13 was taken.)

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1                   A F T E R N O O N   S E S S I O N

2                   (1:02 p.m.)

3                   CHAIRMAN STRICKLAND: All right, ladies and  
4 gentlemen. Let's resume the meeting of the board of  
5 directors for January 30, 2010.

6                   And we'll begin with item 12, which is the  
7 report -- consider and act on the report of the finance  
8 committee. And for that, I would call on Mike McKay.

9                   Do we have -- Sarah, are you on the line?

10                  MS. SINGLETON: Yes, I am.

11                  CHAIRMAN STRICKLAND: All right. Welcome.

12                  And Laurie? Laurie Mikva?

13                  (No response.)

14                  CHAIRMAN STRICKLAND: Okay. I guess we don't  
15 have her yet.

16                  MR. McKAY: Mr. Chairman?

17                  CHAIRMAN STRICKLAND: Go right ahead.

18                  MR. McKAY: The finance committee met  
19 yesterday afternoon. Most were in attendance, so I  
20 will be brief.

21                  We received a report from our treasurer and  
22 our chief administrative officer on a consolidated

1 operating budget for fiscal year 2010. This budget was  
2 proposed; once Congress passed the appropriations bill  
3 and the President signed it, we were able to -- staff  
4 was able to prepare and propose to us a consolidated  
5 operating budget.

6 I invite the board's attention to page 109 of  
7 the board book. You will find Resolution 2010-001.  
8 That resolution would be, if approved by the board, an  
9 adoption of the consolidated operating budget for  
10 fiscal year 2010 totaling nearly \$431 million. You'll  
11 see the breakdown on page 109 and more details on page  
12 111 and 112.

13 We had some discussions with Mr. Richardson in  
14 particular about the items in that budget, but the  
15 finance committee, by the end of the discussion, agreed  
16 to proceed. I will highlight one point.

17 Mr. Fuentes raised the question about having  
18 in the budget funds for increase in salaries. While it  
19 was -- we agreed that we would all focus on any  
20 petition for an increase in salaries when the time  
21 comes.

22 But in light of the fact that there are

1     uncertainties -- we have a bargaining unit that we're  
2     dealing with now -- it would be prudent to set aside  
3     the money although we're not approving a salary  
4     increase by adopting this budget.

5                                   M O T I O N

6             MR. McKAY:   So having said all that, I do move  
7     that the board accept and adopt the resolution that  
8     you'll find at 109.

9             CHAIRMAN STRICKLAND:   And that is resolution  
10    2010-001.

11            MR. McKAY:   Correct.

12            CHAIRMAN STRICKLAND:   All right.   That is a  
13    motion to adopt that resolution.   Is there a second to  
14    the motion?

15            MS. MIKVA:   Second.

16            CHAIRMAN STRICKLAND:   Any discussion?

17            (No response.)

18            CHAIRMAN STRICKLAND:   Hearing none, let's  
19    proceed to a vote.   All those in favor of the adoption  
20    of the resolution, please say aye.

21            (A chorus of ayes.)

22            CHAIRMAN STRICKLAND:   Opposed, nay.

1 (No response.)

2 CHAIRMAN STRICKLAND: It's a unanimous vote  
3 and the resolution is adopted.

4 MR. McKAY: Thank you. We then received a  
5 report on our financial situation for the first three  
6 months of fiscal year 2010, hearing primarily from  
7 Mr. Richardson but also Mr. Jeffress.

8 We are well within budget, primarily because  
9 our continuing operating budget was at a lower level  
10 because we did not have the certainty yet from Congress  
11 and the President as to what the size of our  
12 appropriation would be. So again, we're well within  
13 budget, and appreciated the presentation and materials  
14 that were presented to us ahead of time from  
15 Mr. Richardson.

16 The next item we discussed was the submission  
17 of fiscal year 2011 budget request. Of course, this is  
18 a process that we've been going through beginning last  
19 September, but it was officially released yesterday. I  
20 think we've all received copies of the press release  
21 that went out yesterday. And we were handed the formal  
22 submission yesterday during the finance committee



1 meeting.

2 The total budget request is \$516.5 million.

3 We heard from Mr. Constance about the release and the  
4 steps that will next be taken to get approval from  
5 Congress.

6 We then received a very brief report from  
7 Mattie Cohan on the IRS review of the classification of  
8 LSC consultants, the same report that she gave the  
9 audit committee. And they are executing the charge  
10 that was given to them by the board at our  
11 November 30th meeting.

12 Expect to have a submission to the IRS  
13 shortly, and it'll take another two months or so,  
14 hopefully, to hear back from the IRS on our submission.  
15 And that's the end of our report.

16 CHAIRMAN STRICKLAND: All right, sir. Thank  
17 you very much. Any questions for Mr. McKay?

18 (No response.)

19 CHAIRMAN STRICKLAND: Let's proceed to the  
20 next agenda item. That is consider and act on the  
21 report of the audit committee. I'll call on Chairman  
22 Herb Garten for that report.

1           MR. GARTEN: The audit committee also met  
2 yesterday. A good number of the members of the board  
3 were present at the time. After approving the minutes  
4 of the prior meeting and also of the joint meeting of  
5 the audit and finance committee, there was a  
6 presentation by Dutch Merryman and Uzma Malik-Dorman,  
7 our representative of our CPA firm, on the auditing  
8 financial report for the fiscal year ending 2009.

9           Both Mr. Merryman on behalf of the inspector  
10 general and Ms. Malik-Dorman answered questions with  
11 regard to the statement. The statement is a clean  
12 statement presented. And there was the equivalent of  
13 recommendations that were made that were reviewed.

14           And after discussion on one item that gave the  
15 appearance of our management not agreeing with the  
16 conclusions reached by our independent auditors, we  
17 found that indeed the matter had been resolved and our  
18 accountant, Ms. Malik-Dorman, agreed to amend the  
19 statements contained in the notes to reflect that there  
20 was no disagreement with regard to that one item.

21           The financial statement was handled in a way  
22 that the inspector general, with the input from the

1     audit committee -- we're very satisfied with the  
2     process that was followed.  And the audit report is  
3     included among your papers.  And I don't think any  
4     official action is necessary other than acceptance of  
5     the report as a matter of the record.  If there are any  
6     questions, I'll be glad to answer them.

7             We then went to the next item, and that  
8     involves a new -- a revision of an old form called the  
9     990 that has to be filed by returns of organizations  
10    exempt from income tax.  We're in that category.  And  
11    it's been very expanded, with many, many questions  
12    regarding operations, officers, and directors.

13            And we will be receiving a request from David  
14    Richardson regarding a response on our part, that is,  
15    the board members, which he will need in order to  
16    complete the 990.

17            We then, as reported by Mike, had the staff  
18    report on classification of LSC consultants.  I think  
19    Mike summarized it, exactly what it is.  We'll be  
20    awaiting the submission, which we understand will be no  
21    later than early next week, and the response from the  
22    IRS reported as perhaps taking two months.  My

1 experience would tell me it's going to be a lot longer,  
2 but perhaps our counsel will be in a position to  
3 expedite matters.

4 We then had a report on LSC's 403(b) plan  
5 performance by Charles Jeffress. It's included among  
6 the material in your looseleaf book. He was pleased to  
7 report to us that the plan on the whole financially had  
8 improved during the course of last year, and that we  
9 were satisfied, I believe, as a committee that  
10 management is keeping track of what's going on with  
11 regard to the investment procedure, and that this will  
12 be something that will be regularly reported on at  
13 future board meetings.

14 We then received a briefing by the inspector  
15 general. And I don't recall any public comment. Be  
16 glad to answer any questions or provide further  
17 information if anybody is seeking it.

18 CHAIRMAN STRICKLAND: I have a question. Do  
19 we need to take formal action to note the receipt at  
20 this point, or --

21 MR. GARTEN: I think the fact that we -- and I  
22 think Vic has confirmed it -- that we have received it

1 is all that's necessary.

2 CHAIRMAN STRICKLAND: No further action  
3 needed? Okay. Any other question for Herb?

4 (No response.)

5 CHAIRMAN STRICKLAND: All right. Thank you,  
6 Herb. Let's move to the next item, which is to  
7 consider and act on the report of the operations and  
8 regulations committee. Mr. Meites.

9 MR. MEITES: Yes. We had a number of things  
10 on our agenda today. Since I think everyone was  
11 present, I will summarize. And there's one item on  
12 which we have to act.

13 We received a comprehensive report and had a  
14 full discussion of a proposal to amend 45 CFR Part 1642  
15 as well as related technical parts of 1609 and 1610,  
16 which would have the effect of prohibiting our  
17 regulation prohibiting claiming and collecting and  
18 retaining attorneys' fees.

19 The discussion was in response to the  
20 enactment of the 2010 appropriation, which eliminated  
21 the restriction which had been found in the last  
22 13 years of appropriations.

1           There were two principal issues that engaged  
2           the committee. The first is what should be the mode of  
3           action that we take, and the second being what action  
4           should we take.

5           As far as the mode, during our discussion it  
6           became apparent that both there is a sense of the need  
7           to act expeditiously, that Congress has acted and there  
8           will be an expectation that we would respond promptly;  
9           and the fact that if we go the normal notice and  
10          rulemaking procedure, in light of the various statutory  
11          deadlines, any amendment to our present regulations  
12          would not be effective till mid-April.

13          We were told by staff, however, that in the  
14          past the board has, under circumstances similar to  
15          this, adopted interim regulations, which remain in  
16          effect until the board has received comment and  
17          considered the proposed final regulation.

18          That process would allow an amendment to be in  
19          effect by mid-March or maybe a bit earlier, and the  
20          sense of the committee is that, under the circumstance,  
21          this was the appropriate course to take.

22          The second issue was what should the amendment

1 provide. The two issues were really whether it applied  
2 to all pending cases or just work done in pending cases  
3 henceforth. And after a vigorous discussion, our  
4 committee was unanimous in recommending that from the  
5 point of view of the clients, the appropriate response  
6 is to amend the act with regard to all pending  
7 disputes.

8           And on the basis of our committee's  
9 recommendation, I -- and the last point is there was  
10 some concern about our December action as to whether it  
11 was clear enough to our grantees as to what they could  
12 and could not do in the interim. And the sense of our  
13 committee was that to the extent that clarification is  
14 needed, staff should promulgate an appropriate  
15 clarification.

16   M O T I O N

17           MR. MEITES: On the basis of our committee's  
18 unanimous deliberation, I hereby move that the board  
19 authorize a notice of proposed rulemaking to amend  
20 Parts 1642 and related parts of 1609 and 1610 to remove  
21 the prohibition on claiming and collecting and  
22 retaining attorneys' fees; that that prohibition be

1 written in a way to apply to all pending cases; that  
2 the staff prepare for our consideration an interim  
3 rule, which would have the same content; and that the  
4 staff also make whatever necessary adjustments are  
5 needed to clarify our December action.

6 CHAIRMAN STRICKLAND: I think Mattie has a  
7 comment on perhaps the substance or the form of your  
8 motion.

9 MS. COHAN: I'm confused about whether the  
10 committee is recommending to the board the publication  
11 of an interim final rule or a notice of proposed  
12 rulemaking.

13 MR. MEITES: I thought we had to do both.

14 MS. COHAN: No.

15 MR. MEITES: Okay. Then just the interim  
16 final rule, which will allow --

17 MS. COHAN: With a request for comments. And  
18 then there will be a final rule thereafter.

19 MR. MEITES: That's what I want, yes.

20 MS. COHAN: Thank you.

21 MR. MEITES: Okay. That's the motion.

22 CHAIRMAN STRICKLAND: Okay. Is there a second



1 to the motion?

2 MR. GARTEN: Second.

3 CHAIRMAN STRICKLAND: Any further discussion?

4 I think we had a pretty full discussion at the  
5 committee level.

6 (No response.)

7 CHAIRMAN STRICKLAND: All those in favor --

8 MS. SINGLETON: I'm sorry. I need to have a  
9 clarification. Are we doing a proposed interim final  
10 rule?

11 CHAIRMAN STRICKLAND: We'll let Mattie address  
12 that for you, Sarah.

13 MS. COHAN: No. An interim final rule will be  
14 a revised rule, which will be published and effective  
15 30 days upon the date of publication. The notice  
16 will -- in addition to noting that we are in fact  
17 changing the rule, but there's also an opportunity for  
18 comment.

19 And there will be a subsequent final final  
20 rule which, if there are any additional changes to be  
21 made to the interim final rule, or at least address any  
22 committees that were made even if the final rule, as

1 adopted, is the same as the interim final rule.

2 MS. SINGLETON: So is it option 3 in your  
3 memo?

4 MS. COHAN: Yes.

5 MS. SINGLETON: Okay. Thank you.

6 CHAIRMAN STRICKLAND: What's that?

7 MR. MEITES: Call for a vote?

8 CHAIRMAN STRICKLAND: Yes. Are we ready to  
9 vote? All those in favor of motion please say aye.

10 (A chorus of ayes.)

11 CHAIRMAN STRICKLAND: Opposed, nay.

12 (No response.)

13 CHAIRMAN STRICKLAND: Okay. It's a unanimous  
14 vote, and the motion is adopted.

15 MR. MEITES: Mattie, can you give me a markup  
16 of that before you send it out, just handwritten?  
17 Okay.

18 All right. Next is we continued our  
19 deliberation of potentially initiating a rulemaking to  
20 amend 45 CFR 1607 to require grantee governing boards  
21 to have audit committees. It was a very interesting  
22 discussion, which ultimately led us to examine a

1 proposed change, or a change that's about to go into  
2 effect, in the Corporation's accounting guide which  
3 instructs our grantees that whether or not they have an  
4 audit committee or a finance committee, that they have  
5 the functional responsibility to assume the obligations  
6 of an audit committee.

7 Tom Fuentes raised a question whether, in  
8 fact, in reality a finance committee or indeed any  
9 entity that is not a distinct audit committee can be  
10 expected to handle that function.

11 We then heard from the inspector general, who  
12 said that in his experience, given the variety of  
13 boards of our grantees and the huge variance in local  
14 conditions, that he believes that he would like to see  
15 the Corporation try out this accounting obligation and  
16 see if in fact, in answer to tom's question, an entity  
17 that is not a separate audit committee in fact can  
18 perform the functions that are required.

19 In light of those comments, our committee's  
20 unanimous decision was to take no further action on the  
21 proposal to require audit committees. But I commend it  
22 to both the inspector general and our successor boards

1 to revisit this issue at an appropriate time.

2 The next issue that we considered is whether  
3 to initiate a potential rulemaking to amend 45 CFR 1622  
4 to remove its requirements that the governance and  
5 performance review committee be subject to "the  
6 Sunshine Act provisions" when it's considering  
7 performance evaluation of the president and the  
8 inspector general.

9 Substantial questions were raised whether in  
10 fact the necessary separation between the deliberation  
11 by the performance review committee and the board could  
12 be achieved. And after the discussion proceeded for  
13 some time, with the notion that it would be up to the  
14 board to see if "it could do it," Jonann suggested that  
15 we leave this to the new board to see if they can and  
16 want to do it rather than us saddling them with a task  
17 that we are not convinced can be done. So we tabled  
18 that.

19 The next item was a report from Vic on the  
20 board's role in collective bargaining. We were aided  
21 by Tom Fuentes' comments on his experience on the board  
22 of publicly elected community college board, which has

1 three different unions and several thousand employees.

2 It was a general discussion as to the role of  
3 the board and a board committee as to what our role  
4 should be. When asked, Vic said of the committees the  
5 one that he thinks most logistically would be the  
6 interface with regard to management on this would be  
7 ops and regs.

8 We then had a discussion of some hypotheticals  
9 as to how involved the board and the committee should  
10 be. And after an enlightening but necessarily  
11 inaugural discussion, we signed off to wait and see  
12 what actually happens.

13 That was the agenda items. We then had a  
14 presentation on public comment from Evora Thomas, a  
15 longtime and much-recognized employee of LSC, who  
16 appeared before us as a representative of our newly  
17 unionized workforce.

18 And she urged us to work with the new  
19 unionized workforce, that the goals of both the board  
20 and our staff remains the same, and that she gave us  
21 reason to believe, I think, that we will be able to  
22 learn to work under the changed conditions on both

1 sides.

2 That completes my report.

3 CHAIRMAN STRICKLAND: All right. Any  
4 questions for Tom?

5 (No response.)

6 CHAIRMAN STRICKLAND: Thank you very much,  
7 Tom.

8 Those of you who are on the telephone, if your  
9 phone has the capacity -- that is, has a mute button,  
10 would you mind hitting that button except when you are  
11 ready to address us? That would help us, I think, on  
12 some noises that we're getting at this end.

13 The next item is consider and act on the  
14 report of the governance and performance review  
15 committee. And again, that is Tom Meites.

16 MR. MEITES: We had two reports, one from John  
17 Constance on the self-assessment documents, which I  
18 found quite interesting. John reported both on our  
19 self-assessments and on our assessments of the board.

20 As for the self-assessments, he said they fell  
21 into two categories. The assessments about how "well"  
22 we were doing as board members he said was very

1 positive. But he did note that there were a number of  
2 comments that related more generally to the task of the  
3 board vis-a-vis the public generally.

4 As for the self-assessments of the board,  
5 again, in general, he said that our assessment of the  
6 board's performance is strong. The one area where he  
7 said there was a falling-off of the self-assessment was  
8 in the area of whether we have clear goals as board  
9 members.

10 But particularly in the self-assessment of the  
11 board, there were a number of comments about both  
12 nuts-and-bolts items -- for example, whether the  
13 whole -- the board should continue its practice of  
14 attending committee meetings, and as well as some more  
15 general topics.

16 I urged John to write up -- prepare a  
17 narrative of both -- results of both self-assessments  
18 both for us and our successors, and he said he would.

19 The other area is a presentation by John on  
20 new board training. In his view, and indeed in our  
21 committee's view, it's off to a very good start. But  
22 the question is what kind of training will the board,

1 new board, need once it assumes its positions?

2 And after some discussion, the committee  
3 directed John to -- either through a collection  
4 instrument or informally, to talk to the nominees and  
5 try to identify those areas in which they feel they  
6 need both more information and more instruction. He  
7 said he would undertake that, and either report to us  
8 or our successors at the next board meeting.

9 That is the reports of governance and  
10 performance review.

11 CHAIRMAN STRICKLAND: Okay. Questions for  
12 Tom?

13 (No response.)

14 CHAIRMAN STRICKLAND: Thank you very much,  
15 Tom.

16 Item 16 on the agenda is consider and act on  
17 Resolution 2010-002, recognizing Helaine M. Barnett for  
18 six years of dedicated service as President of the  
19 Legal Services Corporation.

20 That resolution is at page 184. There are two  
21 typos in there. One is on the second line, the word  
22 "his" should be changed to "her." And I've also



1 suggested in the next-to-the-last line that after the  
2 word "Helaine" we add her last name, Barnett, in the  
3 final line of the resolution.

4 But I would entertain a motion to adopt that  
5 resolution.

6 M O T I O N

7 MR. MCKAY: So move.

8 CHAIRMAN STRICKLAND: All right. Second?

9 MR. FUENTES: Second.

10 CHAIRMAN STRICKLAND: Any discussion on the  
11 motion?

12 (No response.)

13 CHAIRMAN STRICKLAND: All right. Let's  
14 proceed to a vote. All those in favor of the  
15 resolution please say aye.

16 (A chorus of ayes.)

17 CHAIRMAN STRICKLAND: Opposed, nay.

18 (No response.)

19 CHAIRMAN STRICKLAND: The ayes have it and the  
20 resolution is adopted.

21 We're now at the point on the agenda --

22 MS. SINGLETON: Mr. Chairman, before you

1 leave?

2 CHAIRMAN STRICKLAND: Yes.

3 MS. SINGLETON: Can I ask the status of the  
4 fellowship program contribution?

5 CHAIRMAN STRICKLAND: Let's see. I believe  
6 Karen Sarjeant will come forward to address us on that.

7 MR. FORTUNO: Karen, I believe the question  
8 was about the contributions, not the selection of  
9 interns. Was that --

10 CHAIRMAN STRICKLAND: What was your question,  
11 Sarah?

12 MS. SINGLETON: That's correct, Vic. I  
13 thought we needed a board resolution to approve that.

14 CHAIRMAN STRICKLAND: I don't know. Do we?

15 MR. GARTEN: Didn't we approve it at the last  
16 meeting?

17 CHAIRMAN STRICKLAND: Well, David, are you  
18 coming forward to address us on that?

19 MR. RICHARDSON: Yes, I am, sir.

20 CHAIRMAN STRICKLAND: Please identify yourself  
21 and proceed.

22 MR. RICHARDSON: For the record, I am Dave

1 Richardson. I'm the treasurer of the Corporation.

2           According to the guidelines that we set up,  
3 each gift was supposed to be set up separately in a  
4 banking account. I have received a couple -- actually,  
5 three -- donations so far and actually was going to  
6 talk with Mr. Garten in regards to that; since it's the  
7 same specific purpose as the previous gift, to add that  
8 to it.

9           The way that the guidelines are currently set,  
10 each check would have to be set into a separate  
11 checking account. So I have not yet deposited them,  
12 and my plan was to talk to the audit committee, and  
13 Herb in particular, who put those guidelines and  
14 protocol in place, before I deposit them.

15           MR. GARTEN: Well, as long as the checks are  
16 made for the same purpose, it makes no sense to me that  
17 you'd have to open up separate accounts. I think you  
18 just would combine it with the previous balance that's  
19 on hand. I don't see any -- to me, that's the  
20 practical response.

21           MS. CHILES: I agree.

22           CHAIRMAN STRICKLAND: It seems logical.

1 Sarah, did you have a further question?

2 MS. SINGLETON: I agree. But I'm wondering if  
3 we can't take that up under this item of business and  
4 just authorize David to do that today.

5 M O T I O N

6 MR. GARTEN: Well, I'll so move for that  
7 purpose.

8 CHAIRMAN STRICKLAND: All right.

9 MS. SINGLETON: I'll second.

10 CHAIRMAN STRICKLAND: Okay, Sarah. Thank you.

11 Any discussion on Herb's motion?

12 (No response.)

13 CHAIRMAN STRICKLAND: Those in favor please  
14 say aye.

15 (A chorus of ayes.)

16 CHAIRMAN STRICKLAND: Opposed, nay.

17 (No response.)

18 CHAIRMAN STRICKLAND: The ayes have it and the  
19 motion is adopted.

20 All right. We are now at the place on the  
21 agenda for public comment. Is there public comment at  
22 this point?

1 (No response.)

2 CHAIRMAN STRICKLAND: Consider and act on  
3 other business. Is there any other business?

4 MR. LEVI: Can I just make a comment?

5 CHAIRMAN STRICKLAND: Yes, sir.

6 MR. LEVI: This is John Levi, and I want to  
7 just apologize that the weather interfered with my  
8 being able to say this in person. But I want to thank  
9 the board for the outstanding orientation that they put  
10 together for the incoming board.

11 And I want the record of this meeting to  
12 reflect our gratitude to you, Frank, the members of the  
13 board, and the staff for the hard work they put into  
14 making it such a valuable experience. Thank you,  
15 Frank.

16 CHAIRMAN STRICKLAND: All right, John. Thank  
17 you for those kind remarks. We had already commended  
18 the members of the staff who participated in the  
19 orientation program, and we appreciate your additional  
20 comments in that regard.

21 Tom Fuentes, did you have some comments?

22 MR. FUENTES: I did, Mr. Chairman. President

1 Fortuno in his remarks spoke to thank staff for what I  
2 felt was an extraordinarily hospitable and welcoming  
3 weekend series of meetings that we've enjoyed here  
4 today. It really has been pleasant, and it really has  
5 been a reflection of an awful lot of niceties that I  
6 think are beyond the call of duty.

7           And I have certainly felt it and have been  
8 grateful for it, to share the time with one and all,  
9 especially our new nominees, and to make them feel  
10 welcome in a special way.

11           I have been wanting for some time to recommend  
12 to the board the recognition of an individual who has,  
13 during our eight years of service on this board, been a  
14 very personal and special resource to the board, with  
15 extraordinary courtesy.

16           I could not have in my tenure on this board  
17 made the trips, made the arrangements, done all that  
18 there was to get to these meetings and participate in  
19 these meetings, to have the information that I needed  
20 to achieve that. And that's Pat Batie.

21           And I don't think this board can ever do  
22 enough special recognitions when people are special.

1 Pat has been for me, and I know in talking to Bernice  
2 as well, extraordinarily helpful.

3 M O T I O N

4 MR. FUENTES: I would like to move that the  
5 board direct the President of the Corporation to  
6 prepare a resolution of special commendation for Pat  
7 Batie to recognize that service. I think it's unique  
8 to our service on the board and of this particular  
9 board. And I would like that so recognized.

10 (Applause)

11 MR. MCKAY: And I second the motion.

12 CHAIRMAN STRICKLAND: All right. Thank you,  
13 Pat. Well deserved.

14 MS. BATIE: Thank you.

15 CHAIRMAN STRICKLAND: Did you intend for that  
16 to be in the form of a resolution to be presented at  
17 the --

18 MR. FUENTES: At the next meeting. So direct  
19 the president to give us language.

20 CHAIRMAN STRICKLAND: All right. Fine. Any  
21 objection to that direction?

22 (No response.)

1           CHAIRMAN STRICKLAND: All right. We'll  
2 consider that done.

3           The final item on the agenda, then, is to  
4 consider and act on whether to authorize an executive  
5 session of the board to address items listed below  
6 under closed session.

7           And before we entertain that motion, those  
8 that will remain on the call, Sarah Singleton will  
9 be -- and Laurie can remain on the call. Anybody else  
10 who has called in, we would ask you to ring off at this  
11 point.

12           But let's go ahead and entertain a motion to  
13 go into executive session for that purpose.

14           MS. SINGLETON: Frank?

15           CHAIRMAN STRICKLAND: Yes?

16           MS. SINGLETON: You don't want us to call back  
17 in the closed line?

18           CHAIRMAN STRICKLAND: Oh, do we have a  
19 different phone number?

20           MS. SINGLETON: Well, we did.

21           MR. FORTUNO: Yes.

22           CHAIRMAN STRICKLAND: All right. Yes.



1       Definitely, Sarah. I'm sorry.

2               MS. SINGLETON: That's what we should do.

3               CHAIRMAN STRICKLAND: Yes, you should. Thank  
4       you very much for that reminder.

5               Let's go ahead, then, with a motion to go into  
6       closed session. I would accept that motion.

7                               M O T I O N

8               MR. McKAY: So move.

9               CHAIRMAN STRICKLAND: A second?

10              MR. GARTEN: Second.

11              CHAIRMAN STRICKLAND: Those in favor, please  
12       say aye.

13              (A chorus of ayes.)

14              CHAIRMAN STRICKLAND: Opposed, nay.

15              (No response.)

16              CHAIRMAN STRICKLAND: The ayes have it and we  
17       are now in closed session.

18              (Whereupon, at 1:34 p.m., the board was  
19       adjourned to executive session.)

20                               \* \* \* \* \*

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